

The **NATIONAL UNDERWRITER**

Life Insurance Edition

PREPARING FOR LEADERSHIP IN 1941



Northwestern Mutual Life Underwriters are looking forward with anticipation to their 26th Annual Eastern Agency Meeting at New York, January 3rd and 4th, 1941, Hotel Waldorf-Astoria.

The field committee which will plan and present the program in conjunction with the Agency Department is composed of Vaughn D. Griffin, Manchester, New Hampshire, General Chairman; P. T. Allen, Buffalo, New York; Oliver M. Barres, Bethlehem, Pennsylvania; Malcolm G. Drane, New York City; George Emery, New York City; J. Warner Heinekamp, Trenton, New Jersey, and C. L. McMillen, New York City.

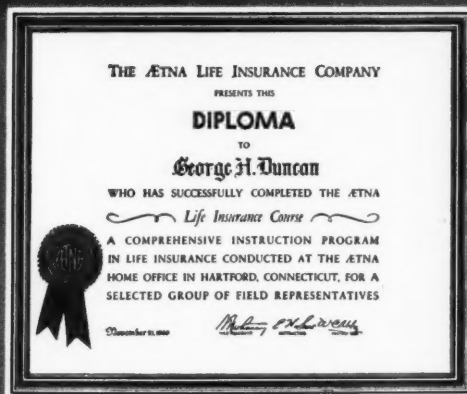
It is the ability "to keep on keeping on," in good times and bad, which distinguishes the successful man in any field. Well planned meetings which inform, interpret and inspire are of real and direct aid to underwriters in developing this essential ability.

This Eastern Meeting offers Northwestern Mutual Life Underwriters a timely opportunity to prepare and equip themselves for continued leadership in 1941.



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The NATIONAL UNDERWRITER

Forty-fourth Year—No. 49

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, DECEMBER 6, 1940

\$3.00 Year, 15 Cents a Copy

N. Y. Dominates Insurance Scene

Annual Meeting of Commissioners Will Be in Detroit

State Officials Accomplish
Much at the Midyear Con-
vention

By C. M. CARTWRIGHT

NEW YORK—At the mid-year meeting of the National Association of Insurance Commissioners in this city the executive committee presided over by Commissioner Williams of Mississippi, the chairman, voted to hold the annual meeting in Detroit June 9-11. Commissioner Emery of Michigan presented the invitation for that city. Commissioner Neslen of Utah gave the invitation for Salt Lake City. Detroit won by a vote of five to four.

Commissioner Blackall of Connecticut, the president, right from the start demonstrated his ability, resourcefulness, ease and good humor in presiding. The roll call showed that there were 39 states and two Canadian provinces represented, McNairn of Ontario and La France of Quebec being present. Commissioner Gremilion of Louisiana was the only new official present at the opening session, although Director Hayden Davis of Illinois arrived later. Mr. Davis was accompanied by Special Deputy Frank Young, Actuary Ray Haffner, W. M. Murray and Chief Examiner Jost. Roy L. Davis, former assistant Illinois insurance director, announced that both he and former Director Ernest Palmer were present. Mr. Palmer received a great burst of applause and the audience arose in his honor, showing the hold that he has on the organization and it was given an opportunity to express regard for him.

C. W. Lovejoy Present

President Blackall announced that C. W. Lovejoy of Maine was present, he being now a member without a portfolio. In other words, he said: "Mr. Lovejoy is almost out and almost in." He assumed his new position with Massachusetts Bonding Monday and he and his family will soon take up their residence in Boston. No successor has yet been appointed.

Commissioner Holmes of Montana telegraphed his greetings and stated that he would not be in attendance. Inasmuch as he is the perennial sergeant-at-arms, President Blackall appointed Macdonald of Wyoming to occupy that position. A letter was read from Commissioner Woodward of Texas who has been seriously ill, stating that

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Political and Inflation Talk Answered by Lincoln

NEW YORK—Charges of life insurance company participation in the recent political campaign with the implication that the companies fear inflation were ably answered by Leroy A. Lincoln, president Metropolitan Life, in his talk as chairman of the Life Presidents Association's annual meeting.

Mr. Lincoln denied that his company or any other company of which he has knowledge participated in political activities or gave out lists of policyholders for that purpose. Unfortunately an organization having no right to speak for life insurance companies attracted attention in the campaign. Reckless allegations were made before the senate special committee to investigate campaign expenditures, in which allegation the names of certain life insurance companies were mentioned as participating in political activity and as giving out lists of policyholders for that purpose.

Unfortunate Circumstance

It was unfortunate that the activity of an outside organization was attributed to the institution of life insurance, Mr. Lincoln said. Unfortunate, as it was, it would not be surprising if some policyholders were led to believe that warnings were being sponsored by life companies to the effect that their policies would have considerably depreciated value in case of the success of one or another of the contending principal parties, Mr. Lincoln pointed out. "Not only was the charge of participation unfounded but I believe it is the view of life insurance executives generally that there was no justification for playing on the emotions of policyholders in such a fashion. Specifically, it was claimed in the press that assertions were being made to the effect that the success of one of the contending parties would lead to inflation to an extent (suggested to be 50 percent) sufficient to depreciate the value of life insurance policies accordingly. I know of no way by which that assertion could be conclusively tested or verified." In deflating the unwarranted inflation scare, Mr. Lincoln presented a clear analysis of the situation.

Pictures Extreme Degree

Although there are various kinds and degrees of inflation, the usual layman's view of the matter pictures an extreme inflation of the character suffered by Germany after the last world war when prices measured in marks went to astronomical figures. Mr. Lincoln said that he does not believe for one moment that the situation in this country is analogous to that of Germany. In essence, inflation merely means an increase in the price level. Ups and downs in the general level of wholesale prices and therefore in the purchasing power of the consumer's dollar have occurred throughout the history of the nation and may well be expected to continue. For instance,

the purchasing power of the premium dollar differed enormously between years of such varied character as 1914, 1918, 1921, 1926, 1932 and 1940. Policy proceeds would likewise have widely different purchasing power if the beneficiary were to receive and entirely spend them in a year like 1929 instead of a year like 1932 or one like 1940. For example, the retail dollar in 1940 has a purchasing power fully 20 percent more than it had in 1929.

Forget Their History

Those who look forward apprehensively to a substantial reduction in the purchasing power of the consumer's dollar as low as 50 percent, as a reason for reducing their life insurance programs forget their history. The advance in the cost of living was so substantial in 1920 that a dollar would buy at retail in food, clothing, house rent, etc., only half as much as \$1 provided in 1913. "There you had a 50 percent change, just as is now being suggested as likely, but the people took it in their stride. What was the reaction of the public to life insurance during that period?" Mr. Lincoln then cited an increase of insurance in force from \$20,564,000,000 at the end of 1913 to \$42,281,000,000 at the end of 1920. "It just happens then, that during that very period when the purchasing power of the consumer's dollar was being halved (and without insufferable results) the amount of life insurance in force was more than doubled."

Has Ups and Downs

During the last 20 years the purchasing power of the consumer's dollar has not stood any higher than about 75 percent of its 1913 value in commodities and services. It has gone through various ups and downs but throughout the past 20 years has averaged only 65 percent of 1913. During those 20 years life insurance in force has gone up from \$42,281,000,000 to an estimated \$117,500,000,000 at the end of 1940.

Variations in the retail purchasing power of the dollar have always taken place. If people had seen fit to defer protecting their beneficiaries with life insurance until they could foresee a long enough stable period of high purchasing power for the insurance benefit dollar, probably few would have bought any life insurance. Fortunately for them and for those whom they needed to protect, insurance buyers were not so impractical.

Spread Over Period

Furthermore not only the paying in of premiums, but also the spending of policy benefits, is, in the vast majority of cases, carried on over an extended period of time rather than at some one moment when the premium dollar or the benefit dollar may happen to have a high or low purchasing power. Exten-

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Life Presidents Gathering Takes on Added Significance

Preparedness Is Apt
Theme—Chairman Re-
views Major Questions

NEW YORK—Against a background of world turmoil which threatens the foundations of individual responsibility on which life insurance is built, the annual gathering of the Life Presidents' association which opened here this week has a special significance. Concepts ordinarily taken for granted, like democracy and liberty, have taken on renewed meaning. "Preparedness," the convention theme, aptly links the foresight that is necessary to national defense to the foresight that goes into life insurance management and ownership.

Unusual, too, was the opening address of the chairman, President L. A. Lincoln of the Metropolitan Life. Ordinarily the chairman merely welcomes the assemblage, gives the estimated figures on operations for the year, and expands a little on the convention theme. Mr. Lincoln, however, also brought up some of the major questions about life insurance that have arisen in the public mind during the year and analyzed them.

Reminiscent of "Colloquy"

Somewhat in the manner of his very popular colloquy on life insurance between "Mr. Query" and "Mr. Fact" which he gave at the 1933 Life Presidents' meeting, this part of Mr. Lincoln's talk illustrates the increasing interest of the public in questions affecting life insurance. A dozen years ago there were no developments in life insurance of interest to the public which were comparable with the TNEC, the unfounded accusations of participation in political campaigns, or the inflation scare which flaunted the menace of a 50 percent cut in insurance values.

Five other life insurance organizations sent their presidents to extend their respective greetings: American Life Convention, Julian Price, president Jefferson Standard Life; Canadian Life Officers Association, Newton J. Lander, managing director Continental Life of Toronto; National Fraternal Congress, A. O. Benz, president Aid Association for Lutherans; Institute of Life Insurance, Holgar J. Johnson; National Association of Life Underwriters, Harry T. Wright, Chicago, Equitable Society.

Early attendance plus advance registrations for luncheon and the fact that

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War Clause Factors Are Analyzed by L. W. Dawson

NEW YORK—Although no insurance man questions the propriety of the use of war clauses, the subject is still largely a matter of discussion and not of action, Louis W. Dawson, vice-president and general counsel Mutual Life of New York, pointed out before the Association of Life Insurance Counsel here. The general opinion is that the companies, to fulfill their trust to existing policyholders, must take proper and adequate steps to insure their protection against the abnormal risk imposed by reason of war.

It is not easy to draft a clause in a life policy which will meet the test of the courts, Mr. Dawson said. Policies written in language readily understood by the average man are exposed to wide varieties of judicial construction because of the failure to use precise and specific legal language. The use of technical language on the other hand often leads to difficulty with surprising court interpretations.

Consider Commissioner's Powers

The extent of the power of the insurance commissioners to pass on war clauses was considered by Mr. Dawson. The authority of a commissioner to approve or disapprove war clauses based upon the question of form is recognized, as clauses should not be misleading, ambiguous or calculated to deceive the prospective purchaser of a policy. However, a serious question arises concerning the power of any insurance commissioner to approve or disapprove a policy based upon whether it attempts to cover or exclude from coverage certain kinds of risks. It must be most seriously doubted whether the legislature has the constitutional right to delegate to a commissioner without the imposition of primary standards, the right to determine whether insurance companies can exclude from coverage of policies a risk due to war, a risk not included in the premium based upon mortality tables created in times of comparative peace. It is a fixed principle that legislative power cannot be delegated. The legislature is limited to fixing a primary standard and conferring upon administrative officers the power to prescribe administrative rules and regulations.

Up to Legislature

Mr. Dawson cited several cases to show the limitations upon legislative delegations of authority with the conclusion "that it is for the legislature to determine the public policy of a state. It would be unfortunate indeed if constitutional issues were brought into the relations between state insurance commissioners and insurance companies, but it is difficult to see how insurance companies could concede to such commissioners power to determine what are proper objects of coverage or exclusion from coverage in insurance contracts based upon what may be deemed by them to be the public policy of the state.

"It would, of course, appear to be clear that provisions which limit liability in the event of death occurring during military or naval service are valid and not against public policy. The validity of such clauses has been specifically affirmed in many cases."

Confusion on Relationship

Much loose thinking exists in the relation of the incontestable clause to the war clause, Mr. Dawson pointed out. The essential reason for a war clause is that the risk of death by reason of war is a risk not contemplated in the premium based upon present mortality tables. It is also a risk for which there is no adequate guide in determining a possible premium. Under the present conditions, no one can say when this risk will subside. Indeed, it is possible that there will be a long period of world conditions dominated by force. Not only

is this so, but the risk of death by war has increased immeasurably due to the destructive powers of the implements of war.

The incontestable clause, on the other hand, has no relation to this situation. Its development has been for the purpose of assuring to a policyholder after a period of time that the validity of the policy would not be attacked by virtue of some misrepresentation, real or alleged in the application or by reason of some basis for forfeiture. It has been pointed out again and again by the courts that it relates to the validity of the policy and not to coverage.

Forfeiture Clause Used

In the past a few companies sought to make entry into military or naval service in time of war a cause for forfeiture of the policy. An attempted forfeiture involves a contest of its validity and consequently a valid argument could be made that such an attempted forfeiture would fall within the incontestable clause. To avert such danger, the legislatures of many states permitted the companies to make such conditions an exception to the incontestable clause. As applied to more recent war clauses, however, which do not call for a forfeiture of the policy, but merely exclude death under certain conditions from coverage, such an exception to the incontestable clause logically is wholly unnecessary.

Many cases have held that war clause provisions which limit recovery are matters of coverage and are not forfeiture provisions. These clearly demonstrate that the incontestable clause does not apply to such military service or other war risk provisions. Where the precise question has arisen concerning a war or aviation clause, several cases have specifically held the incontestable clause to be inapplicable.

In the vast majority of states it can be confidently expected that it will be held that unless there is a specific statutory limitation, there is no legal limitation of time which must be imposed upon application of a war clause dealing with coverage. Mr. Dawson feels that

limitations of time on such a clause are unwise and have no basis in logic. The legislature of any state which has in mind the protection of the savings of millions of policyholders and the fundamental principles of insurance should approach any question of seeking to impose such limitations with great caution.

In the drafting of war clauses, one of the difficulties concerns the use of words which will properly exclude the risk due to military or naval service. The most usual phrases used in the last war limiting liability for death of the insured caused "as a result of" or "while engaged in" military or naval service in time of war, proved to be thoroughly unsatisfactory when interpreted by the courts. The tendency of the courts usually has been to so construe these clauses as to eliminate many deaths which may properly be considered as due to the insured's being in military or naval service. American courts generally have taken the position that death resulting from disease or accident while in military service is not a consequence or result of military service within the meaning of the clause.

Conflict on Meaning

There is a considerable conflict of authority upon the meaning of "while engaged in military service." The courts without dissent agree that it applies to an insured who is killed in action. However, they disagree on whether coverage covers death from disease or accident. Some courts have also made a distinction between death occurring while the insured is engaged in regular service duties or while his activities are of a more limited nature, such as being on furlough.

A more satisfactory clause is almost universally being adopted at the present time which limits liability in the event of death of the insured "while in military service of any country at war." There only are a few cases construing it. In an Oklahoma case, the court held that such a clause did not apply where the insured died of influenza in camp on the ground that the company had failed to show that the death was due to the increased hazard of military service. Despite this decision, the phrase appears to be the best so far devised, in Mr. Dawson's opinion. Properly interpreted it has the merit of certainty and of uniform application.

The use of the qualification "of any

Insurance in Force Now \$117,500,000,000

NEW YORK—Estimates show that by Dec. 31, the total amount of life insurance outstanding in United States legal reserve companies will aggregate \$117,500,000,000, a new high mark, LeRoy A. Lincoln, president Metropolitan Life, reported as chairman before the Life Presidents Association's annual meeting in New York. This total represents a gain of \$3,500,000,000 or 3.1 percent over the 1939 total of \$113,977,000,000. This is an increase well over that achieved in 1939 and has been exceeded in only two years of the past decade, 1936 and 1937. Payments to policyholders and beneficiaries in 1940 will total approximately \$2,700,000,000 of which 63 percent or \$1,700,000,000 will have gone to living policyholders while the remaining 37 percent or \$1,000,000,000 will have been disbursed as death claims to beneficiaries.

country at war" avoids the harshness of a clause which would exclude any death occurring while an insured is in military service in time of peace. It recognizes the additional hazard of accident, exposure and disease to which those in military service in wartime are subjected, as well as the perils of actual combat. Certainly service in the army or navy of a country at war presents an obvious hazard against which no company could insure at normal rates and the propriety of such an exclusion is manifest. Such a clause is coupled with provision for return of premium or payment of the policy reserve in the event of death while in service. For some time the clause was also limited to service without the continental limits of the United States but the possible consequences of this limitation is leading to its abandonment.

What Constitutes Service?

A related question of construction is what constitutes military or naval service? It has been held that attendance at a naval training school after enlistment does not constitute military or naval service and that acting upon military projects, without enlistment, is not military service. It has been held that a person enters military service after he has been examined, enrolled and after he has taken the oath of service.

Another question which has caused some concern is what may be said to constitute war. For this reason the words "declared or undeclared" have been used in many policies. Such words seem particularly important in the light of current conditions and current methods of making war where armies take over whole countries with no declaration of war, for the purpose, as they say, of protective custody. It has been held in two instances, however, that the factual existence of a state of war, whether declared or undeclared, does constitute war. It would seem that war continues despite the signing of an armistice, although this is a position the companies might not wish to take where war conditions have actually ceased.

Due to the modern methods of war in which the attack is directed either ruthlessly or as an incident to impairment of military objectives against the civilian population, the question is inevitably presented as to whether all policies on all lives should not exclude death occurring as a result of war, Mr. Dawson said. Such provision would protect the companies against possible widespread losses due to civilian bombing or sabotage. The use of such a clause has long existed in double indemnity provisions, the language in effect creating an exception from coverage by reason of death from injury suffered as a result of a state of war whether de-

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"Our new man has decided to work 16 hours a day at the beginning."

Strong Stand on Raising Standards Taken in New York

General Agents-Managers Section Urges Better Selection and Training

NEW YORK—Executive members of the General Agents & Managers Section of the National Association of Life Underwriters adopted a strongly worded minute recommending that the 82 local managers' and general agents' associations make the raising of the standards of selection, training and performance of agents a major part of their activities. Involved in this, it was pointed out, is the "elimination of those not qualified to render the highest type of service."

Reference was made to certain forward steps which have been taken by the companies looking toward the cancellation of non-productive contracts. The group sensed the increasing interest shown recently in the study of these problems and their solution.

Pledges Full Cooperation

The group went on record as commending these developments and pledged its full cooperation to the companies. Local general agents and managers associations will be asked to report back on their activities. It was voted that copies of the minute be sent to each such association and to the president and principal agency officer of every legal reserve life company.

The executive group also decided: To hold a meeting of the section at the time of the N.A.L.U. midyear meeting, the day previous to the national council meeting.

To promote a series of one-day managerial seminars for local managerial associations and to ask the Life Insurance Sales Research Bureau to provide the instruction material and members of its staff to conduct the seminars.

To Have Monthly Bulletin

To service more adequately the local groups with programs of activities and to establish a monthly reporting system, with a monthly bulletin to be sent out from N.A.L.U. headquarters to keep each association informed of what the others are doing.

To set up a basis of awards to be worked out by the National association and the Sales Research Bureau and to make three awards each year for the best program of activities. There will be three classifications based either on size of city or size of membership. This would take the place of the "Manager's Magazine" cup of the Bureau, which has been permanently won by Los Angeles.

Members Attending

Members attending included W. H. Andrews, Jefferson Standard, Greensboro, N. C., section chairman; W. R. Furey, Berkshire Life, Pittsburgh; Vernon Holleman, Home Life of New York, Washington; J. A. McNulty, Prudential, New York City; Clifford Orr, National Life of Vermont, Philadelphia; Isadore Samuels, New England Mutual, Denver; O. Lynn Smith, Connecticut Mutual, Wichita; and J. A. Witherspoon, John Hancock, Nashville. Managing Director R. B. Hull of the National association acted as section secretary.

Others meeting with the group included J. M. Holcombe, Jr., and L. W.

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N. Y. Life Assigns Wickett to Coast

Will Have Headquarters in San Francisco as Resident Vice-president

NEW YORK—Because of the New York Life's increasingly important interests in the far west, the number of agents there and the very substantial



FREDERICK A. WICKETT

and growing number of policyholders, Vice-president F. A. Wickett will after Jan. 1 make his headquarters in San Francisco. The company feels it will be a distinct advantage to all concerned to have a resident vice-president on the coast who has experience in the home office as well as in the field.

Mr. Wickett will have under his immediate direction business on the Pacific

Work of Institute Is Reviewed at Parley in New York

NEW YORK—Announcement of two new member companies, reports on 1940 activities and a forum discussion of general institutional questions marked the annual meeting of the Institute of Life Insurance here.

The Beneficial Life and the North American Life of Toronto have been added to the institute's roll, which already comprises 99 companies. The

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Coast, extending to the eastern borders of New Mexico, Colorado, Wyoming and Montana, and the province of Alberta, Canada. His advice and counsel will also be available to the home office, particularly in connection with matters of broad agency policy.

President Aiken's Announcement

In announcing the change, President A. L. Aiken said:

"The record of Vice-president Wickett is already well known throughout the field. No one in the company's service has worked harder or more efficiently through the years than Frederick A. Wickett. He has brought many hundreds of agents into the service of the company and has developed some of our best agency men. He knows the problems of the agent in selling life insurance under present day conditions, and his sympathetic understanding and guidance of agents and agency men has undoubtedly been largely responsible for the splendid record made by the company in the far west. He has attracted men of high character and ability into the business and has built our organization on the Pacific Coast upon a solid and strong foundation."

AN ACUTE PROBLEM

If there is one time when an underwriter should be insistent it would be when there is danger of lapsation. Here is one of those instances when the insured had difficulty keeping his insurance in force and the anxiety of the underwriter saved the situation.

The insured was 32 years old when, three years ago, he bought the first policy, for \$15,000. Then he changed to a different business and had to borrow money, and \$4,000 term insurance was added to cover the loan. But by the time the 1940 premiums came due his financial problems were so acute that he felt he had to lapse the larger policy. It took a number of visits from the underwriter before the insured could be convinced that the insurance was too important to him to forego its protection.

That same month the insured was on a friend's yacht during a heavy rain, went on deck, and was lost overboard.

His widow received \$4,000 from the one policy, half of that being used to pay off the indebtedness. The other policy, the one he had so nearly given up, is paying her \$75 a month for about 20 years.

THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY
Chairman of the Board

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

Urges Greater Accomplishment in Public Relations

Commissioner Blackall Addresses Life Presidents Association Meeting

NEW YORK—Taking up the convention theme, "Preparedness," Commissioner John C. Blackall of Connecticut, president National Association of Insurance Commissioners, told the members of the Life Presidents Association at their annual meeting that there is one goal that remains to be accomplished by the life insurance companies from the standpoint of preparedness. He was referring to greater preparedness in the field of public relations.

If it is true that the man in the street will not of his own volition sell himself a policy of life insurance, it is equally a fact that he will not glean for himself the background of information conducive to a just attitude toward the life insurance business, Mr. Blackall said. Excellent work has been done in this field by agents, magazine articles and advertisements, and organizations, such as the Life Presidents Association, have performed invaluable service in simplifying the technicalities of the business to the layman. There still remains, however, much work to be done in educating the American public as to the soundness and beneficence of the institution of life insurance.

Will Eliminate So-Called Counsellor

It is probable that 100 percent efficiency in this task will never be achieved. Yet, it is not too much to hope that the time may come when the work of the agent will be so thoroughly done that the twister and so-called insurance counsellor will find his trade no longer profitable. Commissioner Blackall continued. Also, it can be hoped that an enlightened public confidence in life insurance will be created, so that the politician will find an irreducible minimum of sympathetic listeners to unfounded strictures on the business and unsound schemes for its further regulation.

Referring to the increasing stringency of agency licensing requirements, Commissioner Blackall said that the role of the agent in public relations brings up one of the important problems of insurance supervision. In the old days, anybody could be a life insurance agent if he had a suit of clothes and a company to employ him. That was in the day when there were about two classes of policies written, one a life policy, the other an endowment policy. But the tremendous expansion of the nation and growing complexity of economic life has brought around numerous forms to fit specific needs of the insuring public, with ever increasing emphasis on the optional settlement features and the scientific adaptation of life insurance to future needs of the beneficiary in terms of income.

More Stringent Agency Laws

This meant that the minimum qualifications of a life insurance agent have been continually increasing and hence more stringent agency laws came into effect whereby men could be appointed agents only after passing proper examinations and satisfying the commissioner that it was not against public interest that they should be licensed. Not all of the states adopted this principle at once, but they have more and more been

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Two Prominent Men in Public Life at Midyear Meeting

James A. Farley and Mayor La Guardia of New York Address Commissioners

NEW YORK—At the mid-year meeting of the National Association of Insurance Commissioners two prominent politicians made addresses. James A. Farley, former Postmaster General, was introduced at the first business session and Mayor La Guardia was the luncheon speaker.

Mayor La Guardia was positive in his assertions. He devoted his talk largely to the subject of better public relations. Commissioner Blackall of Connecticut in introducing Superintendent Pink of New York, who presented the speakers, referred to the fact that the New York Life band had furnished the music at the luncheon and he thought it would be a good idea for other insurance companies to send bands over the country. Mr. Pink secured the two speakers for the occasion and introduced them.

Mayor La Guardia said that much is being heard regarding public relations, but in order to be effective such work must be done under wholesome conditions. High pressure salesmanship, he said, will be unable to put over a cause that is not just. In other words, he said that there must be a good commodity. Every kind of a thing, he said, cannot be put over. He referred to the very successful publicity given Ivory soap, declaring that here was a product worth while. Other soap manufacturers spent just as much money, but were not able to reach the heights as did Procter & Gamble. It showed, he said, that there must be substance and something worth while on which to base a public relations program.

Growth of Insurance

He called attention to the fact that the insurance business has grown to remarkable size. First it was regarded as a luxury that could only be purchased by those with larger incomes. Life insurance, he added, is on a sound actuarial basis. The business has taken on a greater responsibility. Economic security in his opinion is one of the great movements of the day and insurance plays a prominent part in it. The states started to work out some plan to provide for old age pensions. Now the federal government has adopted a measure along that line. He declared it would take several years to perfect a plan. There should be greater uniformity as to the amount of benefits and some other provisions.

State Sickness Insurance

He said that a part of national social life is seen in sickness insurance. Poor people, he said, are entitled to proper medical care. The public has been learning about the effects of medical attention. The people see that mortality has been decreased and suffering has been greatly reduced. Some take the ground that for government to provide medical care for those unable to pay for it is encroaching on private industry. He denied this and called attention to the effort on the part of state and national governments to provide better housing conditions and eliminate unsanitary and unsafe dwellings. It is cruel, he added, to force people to live under conditions that are inimical to health and safety. They breed both disease and crime.

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New Deal's Attitude on Insurance Is Appraised

Last week THE NATIONAL UNDERWRITER carried a dispatch from a correspondent who feels that the chances are that the federal administration will now seek to bring about an era of good feeling between government and industry and that this will mean that the government will not attempt to gain control of insurance supervision. This week are presented the observations of another correspondent who has different apprehensions.

NEW YORK—Efforts to avoid bitterness are expected to mark the new deal's forthcoming attempt to establish federal supervision over life insurance. This pacific attitude might even go so far as to cause the government control advocates to hold off the more ambitious features of their proposals, including in the first bill only enough to give the government the right of supervision and permit the submission of the question to the Supreme Court if the companies felt inclined to contest the measure after it became law. The bill might seem so innocuous as to constitute no apparent cause for objecting to it, perhaps requiring only that the companies file certain information with a duly constituted bureau at Washington. The government's authority once established, it would be a simple matter later to extend this authority.

There are two reasons for believing that the new dealers will take a conciliatory attitude. First, in the interest of national unity President Roosevelt would be loath to stir up the discord that would certainly result if the government were to make open war on the life insurance business. A second and perhaps more solid reason is that politicians have a vast respect for the organized insurance agents.

Division of Opinion

It is no secret that Senator O'Mahoney, Wyoming, chairman of the TNEC, had a much tougher reelection campaign on his hands than if so many agents had not seen him as the enemy of their business. He would have fared much worse if the agents had not been divided in their opinion, many feeling that far from being their enemy he and the TNEC were really forcing the companies to do something practical about the agents' compensation question.

If O'Mahoney had been defeated through the agents' efforts in his state virtually every congressman and senator would be reluctant to have any truck with a measure to put life insurance under federal regulation if agents were not behind it. Even as it is there is the greatest possible respect in congress for the organized might of the agency forces. Furthermore, any measure broad enough to include life insurance would almost of necessity hold the possibility of later including general insurance, even if it did not do so at first. Therefore, the many thousands of fire and casualty agents would have to be borne in mind, with the possibility that their organized strength would be added to that of the life agents.

Leon Henderson's Position

In addition to the need for national unity, the intensity of the drive for life insurance regulation is likely to be affected by the fact that its principal advocate, Leon Henderson, Securities & Exchange commissioner and former TNEC executive secretary, is so busy with his key position in the national defense program that it is physically impossible for him to devote as much of his time and energy to working for life insurance supervision as he otherwise would.

Jerome Frank, SEC chairman, another who might act as a leader in promoting federal life insurance supervision, is understood to be more interested in his

chances of being appointed to the federal bench. Supreme Court Justice W. O. Douglas, former SEC chairman and the original top-ranking new dealer to take up the cause of federal supervision of life insurance, is, of course, out of the picture, though his ideas go marching on.

Theory of Savings

The new deal's reason for wanting supervision of life insurance by the federal government is basically that it considers \$28,000,000,000 of assets too much to be under the control of a relatively few men, unless there is a more powerful regulatory authority than is represented by the state insurance departments. While a few instances of alleged venality were brought out at the hearings, there is really no question about the moral side. The new dealers do not feel there is sufficient assurance that these billions of dollars will be administered in a manner that is fully desirable from a social point of view—that is, the new deal's social point of view.

It must be remembered that the new deal theory holds saving, beyond a rather low minimum point, to be socially undesirable, on the ground that it interferes with commerce and industrial activity. According to new deal theories the \$28,000,000,000 of life insurance assets represents a serious violation of the non-saving principle. The conflict ahead actually comes down to whether the new deal theory is correct and whether individual saving on the basis contemplated by life insurance is wrong.

Fraizer New Neb. Insurance Director

C. C. Fraizer, attorney and banker of Aurora, has now been appointed Nebraska insurance director. The appointment was forecast in last week's edition. Mr. Fraizer was president of the Nebraska Willkie-for-President clubs in the recent campaign. The appointment is effective Jan. 9. He will succeed Charles Smrha, a Democrat, who has been in the position since 1936.

Mr. Fraizer is a native of Indiana. He attended high school at Muncie, Ind., and received his law degree from George Washington University in 1914. He went to Nebraska to practice after the war. He is a former state commander of the American Legion and was a delegate to the Republican convention at Philadelphia.

POSSIBILITIES IN MICHIGAN

LANSING, MICH.—Although Governor-elect VanWagoner has given no indication as to appointments, there is much speculation among insurance men as to a new commissioner. It is conceded that Commissioner Emery will be replaced.

C. E. Gauss, Marshall, former commissioner, is most frequently mentioned as the probable appointee. Other possibilities include John Panchuk, assistant attorney-general and legal adviser to the department for the past four years, and John Gilmore of Detroit, former manager of the state accident fund. J. W. Mundus, Ann Arbor agent, who had been mentioned as a possibility, is said to have declared that he would refuse the post if it were offered.

HOLLAND MENTIONED IN MO.

JEFFERSON CITY, MO.—The completion of the official canvass, which showed that F. C. Donnell, Republican, defeated Lawrence McDaniel, Democrat, by 3,613 votes for governor of Missouri, has started some discussion on insurance superintendent. It is believed

14 Companies Buy \$140,000,000 A. T. & T. Bonds; Record Deal

Yield 2.8%; Participants' Shares Range From One to 50 Millions

NEW YORK—In the largest private placement to date a group of 14 life companies has bought the American Telephone and Telegraph Company's entire new issue of \$140,000,000 30-year 2¾ percent debentures at 98½, a basis which yields 2.8 percent. The Prudential's share, \$50,000,000, was the largest. Other companies according to the A.T.&T., were New York Life, \$30,000,000; Travelers, \$10,000,000; Mutual Benefit Life, \$8,000,000; Penn Mutual, \$7,500,000; Sun Life of Canada, \$7,500,000; Aetna Life, \$5,000,000; New England Mutual, \$5,000,000; Massachusetts Mutual, \$4,000,000; Provident Mutual, \$4,000,000; Connecticut Mutual, \$3,000,000; Union Central, \$3,000,000; Connecticut General, \$2,000,000; and Phoenix Mutual, \$1,000,000.

If reports are accurate, the money is to be used only for construction and expansion. A.T.&T. will presumably refund some \$95,000,000 of high-interest debentures which become callable late next year. It has declined to indicate whether it will again make use of the private placement method or sell its securities in the open market.

Bankers Greatly Annoyed

Investment bankers are naturally much irked at the telephone company's dispensing with their services by going direct to the lenders. Some have predicted that the phone company would lose substantially in good will by this course. Others have termed the deal a poor one for A.T.&T., saying that funds could have been obtained at a lower rate through a regular public offering.

While the 2.8 percent effective rate is less than the reserve requirements of any company the difference is more than taken care of by savings in mortality and expense loading and the investment offered an opportunity of getting out large amounts of money which might otherwise bring no more than the meager yield available on government bonds. It is estimated that the A.T.&T. placement brings the total of private deals to about \$4,000,000,000 since the method was developed as a result of the restriction of the 1933 securities act.

Ohio National Is Liable

Ohio National Life has been held liable by the United States circuit court of appeals for \$139,800 as stockholder of the defunct Roseland State Savings Bank of Chicago.

Ohio National inherited this bank stock when it reinsured American Old Line Life of Illinois. The lower court held that Ohio National was not liable.

that Superintendent Lucas, a Democrat, would not consider reappointment and it appears certain he will leave office not later than July 11, when his term expires. Apparently the best qualified man for the job who has been mentioned is J. F. Holland, formerly chief deputy, who now has a lucrative private law practice in St. Louis. He made an excellent record in the department, is widely known throughout the state, and is a former newspaper reporter as well as an attorney.

← FOLD BACK ALONG THIS LINE



← Fold back along this line

What happens to the family when the picture is changed



like
this?

Even a picture assumes an entirely different aspect when you take away one of the principal figures . . . when, in this case, the father is no longer there.

Suppose that these are real people. Tommy is five years old, and Jane, two. Mother and father are each about thirty.

Suppose that the father is "taken out of the picture". His earning power, of course, would stop . . . and the mother would face a real problem, trying to make ends meet.

She might be able to get a job somewhere, perhaps. But she hasn't done any work outside of the home for a long time. And taking care of Jane and Tommy is a full-time job in itself. Most people would agree that nothing is more important for young children than to have their mother's time and loving care.

Later on, when Tommy is 18, could he go to college . . . or would he give up the idea and try to find work somewhere so as to help his mother?

Of course this father owns some life insurance, and it would undoubtedly be of real help to the family in their difficult situation. But *does he have enough* to provide for them until the children are grown and able to stand alone in the world?

Suppose this young father takes a New York Life Family Income Policy for \$10,000 (face amount), with a "20-year period".

In event of his death during the "20-year period", the mother receives \$100 a month for the remainder of the period, that is, until the time when Tommy and Jane would be 25 and 22 years old and the mother about 50. At that time, the mother would receive \$10,000 in addition, which would be a "nest egg" for her later years. If the father dies *after* the "20-year period", the amount payable is \$10,000.

If the father lives to an age when he wants to retire, he could use the cash surrender value of the policy to obtain a life income for himself.

The premium rate for this policy is not much higher than for Ordinary Life during the "20-year period" . . . and after the 20th year it is exactly the same as the Ordinary Life rate.

For further information about this unusually attractive policy, mail the coupon today.

CLIP—FILL IN—MAIL TODAY

NEW YORK LIFE INSURANCE COMPANY
51 Madison Avenue, New York City

Without obligation on my part, please send me your booklet, "Peace of Mind," describing New York Life Family Income Policies.

I have _____ children. My youngest child is _____ years old.

NAME _____

ADDRESS _____

CITY & STATE _____

MY DATE OF BIRTH _____

NEW YORK LIFE

INSURANCE



COMPANY

A Mutual Company Founded on April 12, 1845 • 51 Madison Avenue, New York, N. Y.

Safety is always the first consideration . . . Nothing else is so important

Mutual Benefit Elite Assemble

Top 25, Known as Associates Group, Hold Sessions in East

The Mutual Benefit's National Associates group, top 25 men of the 1939 Leaders Club, held its second meeting of the year. The first day sessions were held in New York City and the group met with company officers the next day at the home office. Especially invited guests were those who had paid for at least \$300,000 of new business during the first 10 months.

The programs were arranged and conducted by the executive committee: Edward J. Dore of Detroit, president; A. Robert Groenke of Cincinnati, vice-president; John D. Hibbard, Grand Rapids, Mich., and William E. Wright, Toledo, O. They were assisted by Miss Mildred TenBrook of Detroit, and Miss Mildred F. Stone of the new home office.

Bonus and Pension Trusts

At the first session the topic of bonus and pension trusts was covered by Mr. Groenke and John E. Clayton of Newark, both of whom are million dollar producers and specialists in that field. Guest speaker was Wallace N. Watson, Boston, who discussed the expanding market for business insurance, pointing out the necessity for the insurance buyer to coordinate his three estates: his general property estate, his life insurance estate and his business estate.

The dinner was attended by members and their wives, the New York City general agents, H. G. Kenagy, superintendent of agencies; Dr. Walter A. Reiter, medical director; Dr. Joseph F. Whin-

ery, assistant medical director; A. J. Kirkland, assistant secretary, and Miss Stone.

The Saturday session was conducted as an open forum with questions directed at Vice-president E. E. Rhodes, by John S. Thompson, vice-president and mathematician; E. O. Stanley, counsel, and Mr. Kirkland, who jointly discussed problems of ownership and transfer of rights in life insurance contracts. Mr. Kenagy pointed out that during the first 10 months the associates' group had paid for \$12,972,000 of new business.

Members of the current National Associates group are: Michael Alperin, Boston; B. W. Arnold III, Charlotte, N. C.; B. A. Baldwin, Detroit; R. F. Bierbaum, Chicago; Joseph Blumenthal, Boston; John E. Clayton, Newark; Paul W. Cook, Chicago; Edward J. Dore, Detroit; A. Robert Groenke, Cincinnati; Joseph H. Guthrie, Detroit; J. Murray Hastings, Syracuse; Max Hemmendinger, Newark; John D. Hibbard, Grand Rapids; Charles E. Hodgman, Detroit; Wallace H. King, Cincinnati; R. S. Koehler, Jr., Pittsburgh; A. H. Kollenberg, Grand Rapids; W. T. Larsen, Newark; Fred A. McMaster, Cincinnati; Max M. Matusoff, Cleveland; Louis C. Roth, Buffalo; Arthur C. Stern, Boston; Samuel W. Sturm, Cincinnati; Donald H. Waterhouse, Boston; Sidney Weil, Cincinnati; William E. Wright, Cincinnati.

McCarroll Heads Committee

John H. McCarroll, advertising manager of Bankers Life of Iowa, has been appointed chairman of the Life Advertisers Association's committee on standards of practice. Every member of the committee is a past president of the association, they being: Cryus T. Steven, Phoenix Mutual; Charles C. Fleming, Life of Virginia; D. Bobb Slattery, National Life of Vermont; Nelson A. White, Provident Mutual Life.

Insurance Teachers Program Given

University Specialists Will Gather in Chicago Dec. 27 —Many Topics Slated

With the exception of a dinner speaker the program for the annual meeting of the American Association of University Teachers of Insurance Dec. 27 at the Hotel Stevens, Chicago, is virtually complete.

The morning session will be panel discussion of the general or survey course in insurance. Dr. J. Anderson Fitzgerald, dean of the school of business administration, University of Texas, will be chairman. Others on the panel will be Prof. E. A. Gaumitz, University of Wisconsin, Prof. Joseph Pilleon, Miami University, and Prof. Howard Berolzheimer, Northwestern University. A general discussion will follow.

Topics for Business Meeting

Following the luncheon there will be a business meeting. The following topics will be among those dealt with:

1. How the S. S. Huebner Foundation for life insurance education may be used to strengthen college and university instruction in insurance.
2. Committee report on a plan which has been proposed to the Life Agency Officers Association for special training on a professional career basis of college graduates majoring in insurance.
3. Possibility of the American Association of University Teachers of Insurance taking the initiative in fostering professional standards of education in fire and casualty underwriting.

The afternoon session will have Prof. G. W. Goble, college of law, University of Illinois, as chairman. Prof. H. C. Havighurst, Northwestern University

law school, will read a paper on "State versus Federal Supervision of Insurance." Rollin M. Clark, vice-president Continental Casualty and former first deputy New York insurance department, will lead the discussion.

"Protection of American Policyholders under the Defense Program" will be the subject at the dinner meeting. The speaker will be announced shortly.

Davis Reviews Draft Problems

Hubert Davis, Union Central, New York City, spoke on selling the draft-conscious prospect at the first of eight sales clinics conducted by the New York City Life Underwriters Association. Mr. Davis, a native of England, cited the undiminished production of English companies now issuing "complete war clause" policies to emphasize his point that agents in this country are disproportionately excited about the war and said the best mental attitude toward selling the draft-conscious prospect is to sell aggressively and constructively, rather than defensively and competitively.

Harper Dowell, New England Mutual, will address the next clinic Dec. 18 on "Social Security Facts."

Miss. Annuity Tax Ruling

JACKSON, MISS.—The Mississippi supreme court has again upheld the state tax on annuity premiums.

Sustaining in part and overruling in part a suggestion of error filed by the Mutual Life of New York, the high court ruled, however, that the companies are not liable for payment of interest on such taxes between the time they are due and the time collected. The court in its original decision held the company liable for the taxes and for interest at 6 percent.

Just the thing to convince hard boiled prospects—"24 Men in 24 Years." Order 8 booklets for \$1 from National Underwriter.

HOW A STEADY FLOW OF LEADS HELPS JOHN LINCOLN SELL!!

ON YOUR REPORT TO THE COMPANY YOU EXPRESSED INTEREST IN THE MORTGAGE REDEMPTION PLAN.

YES, COME IN!

FROM ANNUAL STATEMENTS

THIS LOOKS LIKE A FINE LEAD FROM OUR AGENT IN LOS ANGELES — I'LL CALL TODAY

FROM THE PROSPECT EXCHANGE BUREAU

MR. POLICYHOLDER, YOU INQUIRED ABOUT OUR \$150 A MONTH PLAN?

YES, I SENT IN A CARD THAT CAME WITH MY PREMIUM NOTICE!

FROM PREMIUM NOTICE ENCLOSURES

HMMM... ALL THESE TEACHERS WANT LINCOLN MATERIAL AND INSURANCE INFORMATION — THEY'RE GOOD LEADS!

FROM LINCOLN ACTIVITIES

WHEN YOU ANSWERED OUR NATIONAL ADVERTISEMENT, YOU ASKED FOR MORE INFORMATION!!

YES, YOUR COMPANY SAID YOU WOULD CALL!

FROM NATIONAL ADVERTISING

THE LINCOLN NATIONAL SENDS MORE THAN 1000 LEADS A MONTH TO THE FIELD. IT'S A REAL HELP!!

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY
FORT WAYNE INDIANA

Gathering Takes on Added Significance

(CONTINUED FROM PAGE 1)

the National Association of Insurance Commissioners met here earlier this week forecast a large attendance.

V. P. Whitsitt, manager and general counsel of the Life Presidents' association, usually gets the annual sessions under way with a brief introduction of the chairman. However, he was not sufficiently recovered from a recent illness to be on hand and Actuary B. E. Shepherd introduced Mr. Lincoln.

Educator Denies U. S. Decadence

Is America decadent because we use our educational institutions for the purpose of building up a spirit of free inquiry and an active process of discovery rather than as an institution for national propaganda and a means of bending science, philosophy, religion and logic to conform to the requirements of some particular ideology or national objective, Dr. S. N. Stevens, president Grinnell College, Grinnell, Ia., asked in a talk on the role of American education in the democratic process. He said America has made more social progress towards the realization of the ideals as stated in the Declaration of Independence than has occurred in any other nation in the world. It has extended the length of life, progressively controlled the great plagues that decimate populations, gone through changes in political control without civil war, faced depressions and social chaos without revolution and progressively evolved new systems of opportunity and adapted the citizens to international change without seriously weakening the internal integrity of the governmental system.

"The greatest evidence that the world has ever seen of the power of a free mind to cope with the exigencies of a hostile environment has been demonstrated again and again in this country."

Not the American Way

Education can be used successfully to chain the mind, imprison the emotions and subjugate the will, but the tradition in American education has been to liberate the mind rather than chain it, to discipline yet release the emotions rather than imprison them, and to direct and motivate rather than to dominate the will.

"It will be a sad day for America when rugged individualists are no more, when men and women no longer feel a responsibility for their own lives and actions, when social responsibility is passed to the state and forgotten by the men and women who compose society."

Iowa Deputy to American Mutual Life; Larsen Joins United Benefit Life

DES MOINES—A series of changes in the Iowa department resulted from the resignation of Clair C. Kirkpatrick, first deputy and actuary in charge of the life department, to become actuary of American Mutual Life of Des Moines.

Mr. Kirkpatrick will succeed Arthur Larsen, actuary and secretary of the American Mutual, who will become actuary of United Benefit Life of Omaha.

Ralph Knudson, second deputy and head of the securities division, will be named first deputy and B. Russell Thomas, an examiner will take Mr. Kirkpatrick's place as actuary in charge of the life department and will hold the title of second deputy.

Mr. Fischer and Mr. Kirkpatrick are in New York attending the commissioners convention.

Mr. Kirkpatrick has been with the Iowa department 15½ years, starting as an examiner. He was appointed first deputy in February, 1939. For many years he was chief examiner of the life department.

In filling Mr. Larsen's position as actuary with the American Mutual, the office of secretary will be left vacant and the directors are expected to fill the position some time this month.

Mr. Knudson joined the department in 1939. He formerly was first deputy of the securities department when Mr. Fischer headed that department before it was consolidated with the insurance department.

Mr. Thomas, a graduate of the University of Iowa and a native of Corning, Ia., has been with the department as examiner for five years. At one time he was with Central Life of Iowa.

Mr. Larsen was associated with American Mutual Life seven years. He was formerly actuary of Volunteer State Life. Prior to that he was actuary of the Indiana department when Secretary Miles Scheaffer of United Benefit Life was deputy commissioner.

War Clause Factors Are Analyzed by L. W. Dawson

(CONTINUED FROM PAGE 2)

clared or undeclared. The use of such provisions generally is a matter for executive judgment and Mr. Dawson believes that the time will come when such an exclusion will be universally adopted. However, there is surprisingly little authority on this question in the field of life or accident insurance.

One of the most difficult problems which may arise in connection with war clauses is the problem of proof, Mr. Dawson pointed out. Wartime operations are not conducive to investigation and disclosure of the facts surrounding death. The burden of proof would become of paramount importance in litigation dealing with the subject, and this

in turn would depend upon the nature of the war clause.

"My fervent hope is that the insurance companies, supported by the state insurance commissioners, will face this problem courageously and wisely, free from emotionalism and the competitive sales pressure which inevitably surrounds such a question," Mr. Dawson concluded.

"Non-Can" Hearing Again Held Up

LOS ANGELES—Col. W. H. Neblett's opposition to the plan of rehabilitation of the Pacific Mutual Life again held up the case relative to amounts to be allowed "non-can" policyholders of the old company and caused another postponement to Dec. 13. He had attacked Judge Vickers' qualifications to try the case on the ground that the judge's sister owned stock in the old company.



"—and here's a greeting for you
from Hooper-Holmes"

THE HOOPER-HOLMES BUREAU, INC.

102 MAIDEN LANE, NEW YORK

War Complications in Canada Worked Out Satisfactorily

Godsoe Relates Numerous Obstacles Which Had to Be Overcome

NEW YORK—Numerous problems which Canadian life companies face and have met as a result of the war were reviewed by J. G. Godsoe, assistant general manager Confederation Life, before the Association of Life Counsel here.

The foreign exchange control board has been operating in a satisfactory manner so that business has been able to carry on in a normal way but with slight disturbance, Mr. Godsoe reported. The board made it clear from the start that the normal conduct of all life companies was paramount. Under this regulation, any life company authorized to do business in Canada and also authorized to do business in any country or countries outside Canada, is authorized to conduct its business in accordance with its normal procedure. Under this regulation problems have been few and such as have arisen have been simple of solution, Mr. Godsoe said.

Enemy Provision Interesting

A number of interesting angles have arisen with respect to the "no trading with the enemy" provision, under which the companies are not to carry on any trade with enemies who are defined as persons residing in enemy territory or areas occupied by the enemy, interned persons and persons declared to be enemies. In general, the test of an "enemy" for trading purposes is not so much one of nationality, but rather a territorial one. Canada is made up of a sizable European population with some of these people returning to their home lands each year, after having become insured with Canadian companies during their residence there. Some of the larger companies carry on a worldwide business and have written many policies on the lives of people who are now regarded as enemies. Accordingly with the new regulations, the life companies found themselves faced with a host of problems by reason of their having upon their records more than a few insured who came under the heading of enemies, a list which has grown steadily as the war has progressed.

Authorities Are Reasonable

However, the authorities have been very reasonable and very sensible about the situation and the difficulties have been ironed out. It was made clear that the secretary of state, who as custodian of enemy property, was concerned only with the Canadian business of companies operating in Canada and generally not concerned with business originating in neutral countries which might be subject to the courts of those countries. It was decided that no payments were to be made to the custodian until they became due and payable to the enemy.

It was decided that annuity and other disability payments due to enemies other than internees, were to be retained by the companies, with interest allowed at the same rate as applied to delayed claim payments. In connection with such payments, the custodian recognized that, in many cases, payment was contingent upon the existence or continued disability of the payee and as there were no means of ascertaining these facts, it was satisfactory if the

(CONTINUED ON PAGE 17)

Pension Trust Case of About \$20,000,000

Mutual Life Man in Chicago Closes Plan to Cover 12,000 Employees

A volume of about \$1,000,000 of business to be put in force immediately and an eventual total of \$20,000,000 to \$22,000,000 of ordinary life insurance, including some annuities, is involved in the huge pension trust case that was closed this week by T. D. Harvey, "millionaire" of the Heifetz agency of the Mutual Life of New York in Chicago, and J. A. Mudd, Jr., one of the most prominent brokers in the middle west, on the Walgreen Company, chain drug stores operating countrywide.

The plan constitutes a memorial to the late C. R. Walgreen, who died in December, 1939, owning approximately \$1,200,000 of life insurance, of which \$466,631 was payable to the corporation and the remainder was personal.

Details of Arrangement

Under the pension trust plan, the proceeds of the business insurance go into a fund with which is being purchased single premium paid up endowment insurance upon some 3,700 older employees who will receive face amounts varying under a formula which takes into account their years of service. The remainder of the approximately 12,000 employees, together with the Walgreen Company, will contribute to an employee's retirement and pension plan which will be based on the purchase of limited payment endowment policies, annuities, and some Walgreen stock.

The normal retirement age is 60, but employees will not be required to retire at that age. Employees to be eligible for the plan must be over 27 years of age and have been continuously for at least three years in the Walgreen service. Eligibles will contribute 3 percent of their annual wages in the group up to \$3,000 annually and 6 percent in the group over that figure. The lower income brackets will have a preferred position, however, under the pension trust plan.

Contributory Method Used

Under the life insurance plan, 120 days time is granted in which the employees can make their decisions and sign up. The Walgreen Company will match employees' contributions to the pension on a sliding scale according to the corporation's earnings. At the close of each fiscal year ended Sept. 30, the company will contribute for each \$1 contributed by employees an amount determined by a fixed scale in relation to earnings of the business for the year, \$1 for each \$1 contributed by employees if net earnings amount to \$1.80 per share of stock, and proportionately less or more as the stock earnings vary, but in no event less than 25 cents for each \$1 contributed by the employee, nor more than 300 percent.

Each employee will have a separate pension account set up under the plan, to be constituted out of his prorata share of initial payments to the fund of about \$500,000, his own contributions, his share of the company's contributions and his prorata share of any part of the surplus as defined in the agreement which the trustees appropriate for that purpose. This surplus will be the excess of assets in the trust over its potential obligations.

The trustees are permitted to appro-



T. D. Harvey

Insurance Program to Be Expanded by U. S. Chamber

WASHINGTON—Plans for expanding the services of the U. S. Chamber of Commerce in the insurance field are announced by President James S. Kemper, president Lumbermen's Mutual Casualty. Plans for activity along insurance and loss lines have been worked out by Mr. Kemper and Esmond Ewing, vice-president Travelers Fire, chairman of the chamber's insurance department committee.

T. F. Cunneen, manager chamber's insurance department, has been advanced to executive assistant for insurance in the chamber. A. H. von Thaden, assistant manager, will succeed Mr. Cunneen as manager.

In his new duties, Mr. Cunneen will have even closer relations than formerly with the insurance industries. He will promote the cooperative effort with local chambers of commerce and trade and industrial associations in the work of their committees on accident prevention and safety, fire prevention and health conservation.

Formerly New York Deputy

Mr. Cunneen has been manager of the insurance department since 1928. Prior to that he was New York deputy superintendent of insurance. He is a member of the New York bar.

Mr. von Thaden has been on the chamber's staff since 1926. Prior to that he was statistician for the Commercial Casualty and before that assistant statistician for the Fidelity & Casualty.

appropriate up to \$25 a year per employee out of surplus for hospitalization and medical expense.

If an employee should retire before age 50, his total would be discounted 3 percent for each year prior to that age, but not so as to reduce the amount below the total of his own contributions. Women employees who marry and give up their jobs within one year of marriage can withdraw their credit in full with no deductions. If they continue to work for more than three years after their marriage they must carry through the plan.

It is estimated that about 3,700 employees are eligible now and that within eight years, about 8,000 will come under the plan, and the remainder after that time. Eventually it will include all the employees.

Mr. Harvey has worked on the plan for almost a year and cooperated with Walgreen attorneys in preparing the trust agreement, that work done requiring five weeks of day and night work.

The Walgreen attorneys were Kirkland, Fleming, Green, Martin & Ellis, Chicago.

He is a life member of the Million Dollar Round Table. He was president last year and is again this year of the Mutual Life Field Club. Mr. Harvey went with the Heifetz agency in 1937, previously having been associated with Clay Hamlin, general agent Mutual Benefit in Buffalo, N. Y.

Coast "Benefit" Faker Jailed

SANDPOINT, IDA.—William Tesson has been fined \$200 and given six months in jail for issuing benefit insurance contracts without incorporation. The hearing disclosed that Tesson was secretary, president, treasurer and agent, and that he had policies printed at a local shop, copied from a sample policy. He had sold about 70 policies, mostly to old people, for \$5, except where they wanted health and accident. Then the same policy was used but he collected \$10.

William Macfarlane, vice-president and actuary, has been receiving congratulations on his 30th anniversary with the New York Life.

Company Medical Men Are Active in Preparedness Move

Dr. Cragin Stresses Problem of Examiners in War-time; Gives Mortality Study

Medical preparations in the national preparedness program will have a considerable influence on life insurance practices, Dr. D. B. Cragin, medical director Aetna Life, and president Association of Life Insurance Medical Directors, told the Life Presidents Association meeting in New York in a talk on medical preparedness. One of the most significant effects is the loss of many life insurance medical examiners who have entered the service. This has been particularly felt in Canada. Company medical directors are combing the field of qualified physicians who are beyond the military service age.

Civilian Health Important

The health of the civilian population is as essential to national defense as that of the soldier. Dr. Cragin said the country is in a much better position to handle the present problem than at the beginning of the war, due largely to the interest in the building of a public health service and the leadership of wise physicians, who through efforts of the American Medical Association and governmental agencies have sought a closer relationship between the public health and private medical services. He said this connection is of paramount importance, has gone far ahead of any previous effort, and produced the best organization the United States or any other nation ever has had.

More than 30 committees for the purpose of advising the army, navy and other governmental agencies on medical problems have been formed by the leading medical authorities as a part of the National Research Council.

He described the work which already has been initiated by the committee on medical preparedness of the American Medical Association.

Annual Mortality Review

Insurance mortality this year failed by a margin of 12.1 per 100,000 or 1.6 percent to maintain the record low of last year, Dr. Cragin reported in the annual review of mortality, trends and other problems. Extended through the whole population, he said, the increase over 1939 would be about 32,000, of which, however, about 9,000 would be accounted for by the population increase.

Favorable trends were found in 11 diseases: Tuberculosis, influenza, pneumonia, puerperal state, measles, scarlet fever, whooping cough, diphtheria, meningitis, diarrhea and homicide, in all representing a total saving of 12 lives per 100,000 policyholders this year. Unfavorable trends were found in 10 diseases: Cancer, cerebral hemorrhage, organic diseases of the heart, Bright's disease, diabetes, respiratory diseases not specified, typhoid fever, suicide, automobile accidents and external causes not specified, these causes being responsible for 20.4 deaths per 100,000 more than last year. Deaths from all other causes increased by 3.7 per 100,000, Dr. Cragin reported.

The greatest absolute reduction was made in pneumonia deaths, due largely to use of the new drugs sulfapyridine and sulfathiazol, with 35 deaths per 100,000 insured lives this year compared with 42.1 last year, when there was a reduction of 6.9 deaths per 100,000 from

the 1938 figure. In 1937 a reduction of 17.4 was reported, thus pneumonia has been steadily improving. He noted the high mark of 80 or more per 100,000 in the period 1920-1929 and even exceeding 100 in 1920.

This year the influenza rate dropped from 8.7 per 100,000 in 1939 to 6.1; death rate from measles decreased 33 1/2 percent; whooping cough 22.2 percent; diphtheria 42.9 percent; scarlet fever 40 percent; meningitis 16.8 percent; diarrhea and enteritis 18.5 percent. The tuberculosis death rate reached a new low of 36.6 per 100,000 compared with 37.1 last year, continuing an uninterrupted decline that has been progressing for 14 years.

Typhoid fever also has made continued progress over a long period with decline in rate from 6.2 in 1920 to less than 1 per 100,000 this year.

Heavy Toll of Heart Disease

Organic diseases of the heart were responsible for 24 percent of all deaths among policyholders this year, or 178 per 100,000 lives, increase 5.3 lives over last year; cancer 100.2 per 100,000, increase 3.7 lives; cerebral hemorrhage 61.1, increase 3.1 lives per 100,000; Bright's disease 46.6, increase 3.2 lives, the first time in six years this disease has shown an increased mortality rate among insured lives. Diabetes has shown comparatively very little variation in death rate since 1935, having been 22 per 100,000 this year.

Dr. Cragin reported automobile accident fatalities represented 19.6 lives per 100,000 policyholders this year, a marked improvement over the 24.3 in 1934, but higher than the trend in the last two years. It was estimated auto deaths for 1940 will be at least 35,000, an increase of about 2,400 in the year.

The homicide rate decreased 3.2 percent, being 3 per 100,000 in 1940, the fourth successive year of improvement. The suicide rate rose from 13.9 to 14.5 per 100,000, increase 4.3 percent, but compared favorably with the high point of 21.3 in 1932. Other external causes of death increased 4.6 percent over the 1939 rate to a total of 31.9 per 100,000.

Briefs from Mid-year Commissioners Meeting

At the mid-year meeting of the National Association of Insurance Commissioners at the Hotel Pennsylvania, New York, Commissioner Blackall of Connecticut, the president, stated that there was a dentists convention in the same hotel. The commissioners were slow in arriving at the first session and he stated that perhaps they had looked at the chairs thinking they were for comfortable repose in the commissioners' convention and not realizing that they were dental chairs.

Managing Director W. M. Dewey of Edgewater Beach Hotel in Chicago was present, he being one of the most popular hotel managers with the insurance men throughout the country.

New York People Give Luncheon

At the head table at the luncheon Monday which was given by the insurance interests of New York there sat Commissioner Blackall of Connecticut; Commissioner Williams of Mississippi, chairman executive committee; Read of Oklahoma, secretary of the organization; Superintendent Pink of New York; C. W. Hobbs, New York City, representing the commissioners in the National Council on Compensation Insurance. Al Butler of Corroon & Reynolds, chairman of the luncheon arrangements committee, who did a splendid job, and was given a big hand.

Commissioner Read, association secretary and chairman of the examinations committee, recommended that hereafter in the annual convention proceedings there be published the list of examinations called since the last meeting, giving the states participating. Heretofore, this has been sent out in pamphlet form.

Piper's Absence Clouds Outlook in N. Y. Legislature

NEW YORK—Absence of R. Foster Piper from the chairmanship of the assembly insurance committee and of the joint committee on insurance law revision as a result of his election to the state supreme court adds considerably to the uncertainty of the outlook for insurance legislation at the approaching legislative session. Because of important measures to come before the legislators insurance men are hopeful that a successor of comparable stature will be found—admittedly difficult not only because of Mr. Piper's tact and extreme patience but because of the intensive insurance education he received in conducting the lengthy hearings and conferences on the insurance law recodification.

Also contributing to the uncertainty is the fact that Governor Lehman appears desirous of delegating a considerable share of his decisions on legal matters to his adviser, intimate friend, and former counsel, Charles Poletti, who gave up a \$25,000 a year supreme court

judgeship, a life job, to become lieutenant-governor at \$10,000 a year out of loyalty to the governor. During previous administrations, when Lieutenant-Governor Bray was second in command, Governor Lehman arrived at most of the decisions on pending bills by himself.

Poletti Universally Liked

Mr. Poletti is very well liked even among those who disagree with some of his views on social reform and there is no doubt in anybody's mind about his ability and his complete sincerity. It is generally believed that Mr. Poletti may have been responsible for the governor's vetoing of certain measures at the last session, such as the bill introduced by Mr. Piper which would have clarified the creditor-exemption statute applying to annuities bought for the benefit of a beneficiary other than the purchaser.

Another field where Mr. Poletti may be a factor is the extension of the New York savings bank life insurance system. He was one of those who strongly advocated its passage and there are likely to be efforts to get the present \$3,000-per-life limit raised, at least to the statutory limit on savings accounts—\$7,500. Savings bank life insurance has not been anywhere near as success-

ful as its sponsors hoped, either in the amount sold by individual banks or in the number of banks joining the system and its backers feel it is time for a shot in the arm.

Efforts to get a more satisfactory war clause than is possible under the present statute governing ordinary insurance will, it is hoped, get a more favorable reaction from Governor Lehman than last session, when he vetoed a bill which would have made it possible to make the insured's status as a member of the armed forces the deciding factor in denying liability under a war clause. The present law permits war clauses to exclude only deaths resulting from military service and opens up possibilities of widespread litigation because of its vagueness. Also it would permit possibility of denying liability years after warfare had ceased.

Hobler Fresno Supervisor

The Occidental Life has promoted E. S. Hobler to agency supervisor in the Fresno, Cal., branch office. He attended Fresno State College and started life insurance immediately after his college work. He has been carrying an Occidental ratebook for four years. He is a director of the Central California Life Underwriters Association.

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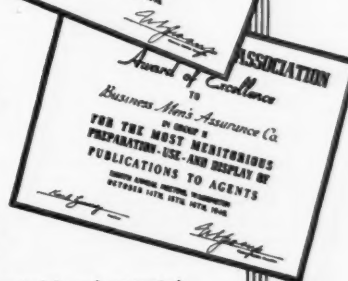
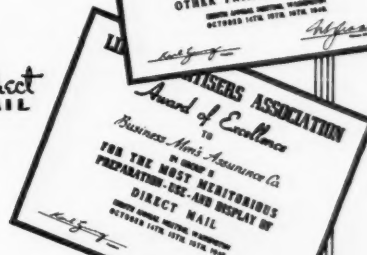
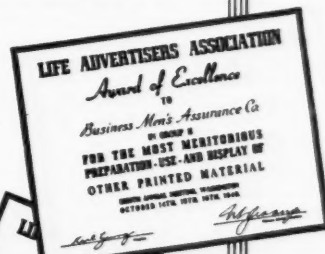
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Would Remove Strait Jacket from Actuaries

NEW YORK—The Guertin committee on non-forfeiture benefits will meet at the Hotel Pennsylvania here Dec. 16, at which anyone can appear and give his views.

NEW YORK—The special committee of the National Association of Insurance Commissioners which was appointed a year ago to study non-forfeiture benefits granted in life insurance policies presented a report to the association at its meeting this week. It contains tentative proposals of much interest. The committee anticipates the submitting of a final report at the meeting of the association next June.



A. N. Guertin

The committee has suggested a plan for granting non-forfeiture benefits according to a basis which will recognize the nature of recent mortality and interest experience as well as the incidence of expense in the conduct of the business, and which will tend to eliminate the artificial connection between the determination of policyholders' equities and the calculation of the reserve liabilities of the companies. Appended to the report is model legislation required to place the committee's proposals in effect in the various states.

Composition of Committee

This committee, which is an outgrowth of the committee to study the need for a new mortality table and related topics whose report was adopted by the association last year, consists of Alfred N. Guertin, actuary New Jersey department, chairman; Russell O. Hooker, actuary Connecticut department, vice-chairman; Charles Hughes, chief audit bureau, New York department; Ray R. Haffner, actuary Illinois department; F. Edward Huston, American Life Convention; John S. Thompson, vice-president Mutual Benefit Life, representing Actuarial Society of America and Charles A. Taylor, actuary Life of Virginia, representing American Institute of Actuaries.

The proposals are of fundamental importance and have been advanced in tentative form in order that they may be available to the public and the industry for discussion. The committee has invited comment by interested parties and it is understood that oral discussion may be had at one or more public hearings to be held in the near future.

Effect of Proposals

The effect of the proposals should be to encourage the use of modern tables of mortality and conservative interest rates for valuation purposes without prohibiting the use of existing tables for that purpose, the committee stated. With available interest returns declining, this is a matter of extreme importance.

The concrete proposal advanced provides for the calculation of non-forfeiture benefits on a formula along the following lines:

1. The determination of an "insurance equity" on the basis of a modified preliminary term formula according to a mortality table representative of recent experience approved by the commissioner and a rate of interest of not more than $3\frac{1}{2}$ percent during the premium paying term of the policy and not more than 3 percent during any period thereafter, the difference between such interest rates not to exceed one-half percent, less a deduction which shall not exceed \$10 per thousand dol-

lars of insurance during the first five policy years decreasing by \$1 for each successive year of duration to zero in the fifteenth and subsequent years.

2. Every policy will provide for paid up or extended insurance to be calculated according to the mortality basis used in calculating the insurance equity; provided, that, in the case of ordinary paid up term insurance, a special table providing for rates of mortality not exceeding 130 percent of the rates according to such table may be used, and in connection with paid up or extended according to a rate of interest which may be lower by not more than one-half of 1 percent than that assumed for the premium paying term of the policy in calculating the insurance equity but not more than 3 percent.

3. No provision is made for compulsory cash surrender values but a minimum limit is placed on the size of such values, if granted. No cash value may be granted which is less in amount than a fixed percentage of the insurance equity or the net value, as previously indicated, of an insurance non-forfeiture benefit in force. The percentage contemplated is 95 percent.

See Favorable Response

The proposals of the committee will undoubtedly bring a favorable response from company actuaries who have complained that they are placed in a strait-jacket under requirements that tie non-forfeiture values and minimum rates to the same table that is used in determining reserves. This lack of flexibility was not particularly troublesome when liberal interest assumptions could be used and so long as old mortality tables were acceptable. However, the use of a modern mortality table, it is estimated, would produce higher reserves over all and of course, a lower interest assumption produces higher reserves. So long as non-forfeiture values must be based upon the same table, that would mean higher insurance equities which would theoretically require even greater liquidity and would have a further depressing effect upon interest earnings. The committee recommendation embraces a plan for setting up reserves and valuing policies on one basis and for providing surrender values on the same reserve or on a lower reserve if desired.

One proposed law, known as the standard policy non-forfeiture law, provides for the use of mortality tables representing modern or actual experience in establishing cash surrender values and other non-forfeiture benefits.

Policy Valuation Law

Then the committee submits another proposed law known as the standard policy valuation law, providing for setting up reserves on the basis of a modern table subject to approval by the insurance commissioner or the American experience or American men ultimate table without special approval.

There is a provision that the aggregate reserves on the table selected for valuation must not be less than the total reserve on the basis of the mortality table and rates of interest used in calculating insurance non-forfeiture benefits.

Observers say that the proposal results in net insurance equities closely representing asset shares, which takes into account incidence of expense.

In arriving at the non-forfeiture values, the insurer may subtract \$10 during each of the first five policy years from the reserve as calculated in conformity with the non-forfeiture law and the cash surrender values must be at least 95 percent of the net difference.

Actuaries point out that the provisions indicated in paragraph No. 2 above are justified because the mortality is higher on paid up and extended term contracts than on premium paying policies.

All Star Cast Makes Boston Unit Second in Land

BOSTON—A quartet of the foremost figures in life insurance appeared before 2,500 Boston life underwriters Tuesday evening in a membership campaign program sponsored by the National association which for enthusiasm and attendance is believed to have surpassed any previous such gathering in the country.

The all star speakers were President Harry T. Wright of Chicago, Vice-president John A. Witherspoon of Nashville, Secretary Grant Taggart of Cowley, Wyo., and Charles J. Zimmerman of Chicago, immediate past president of the National Association of Life Underwriters who appeared for the first time jointly on a single program. Paul C. Sanborn, National association trustee, presided over the gathering for which he was largely personally responsible.

Preliminary Dinner

At a preliminary dinner given the 150 general agents and managers of Boston by the National association a personal appeal was made by the Four Aces for cooperation in enrolling more agents in the local association with the result that pledges were made sufficient to increase the membership of the Boston association by 762, insuring a total membership in Boston of 1,800, making the Boston association the second largest in the nation surpassed only by Chicago.

Mr. Taggart assured his listeners that the fact the world is being destroyed today did not mean it was going to destroy us. We must and can take care of ourselves, we must go to work, steer a straight course through the confused and perplexing whirlpools of the day. There is no substitute for well directed and well planned hard work.

Mr. Witherspoon presented varied human appeals to the prospect from his own experience. Most insurance, he said, was taken out because of the love of a man for a woman or a child. Crime starts when money gives out and "we sell money," said the speaker, in presenting the case of life insurance as a crime deterrent.

Wants Immediate Action

President Wright declared the prestige of the business should be improved this year by the immediate elimination of the unfit agents. He said this would go a long way in overcoming the national problems with which the insurers are faced.

Warning life men not to overdo statistics, Mr. Wright declared that insurance service means simply helping the prospect to have adequate insurance in force, well planned to meet his needs.

Mr. Wright urged general agents and managers to pay more attention to the encouragement of their agents.

Mr. Zimmerman gave a rousing address to close the evening. Principles of motivation to get action from agents were outlined, followed by varied methods of closing.

Telegrams from the presidents of a dozen life companies were read by Chairman Sanborn, each offering congratulations and good wishes for the unique membership project of the National association inaugurated in Boston.

Humanize Selling, Earls Urges

SOUTH BEND, IND.—"Take a tip from the newspapers; put human interest in insurance salesmanship," W. T. Earls, Cincinnati general agent Connecticut Mutual Life and a million dollar producer, told the South Bend Underwriters Association. "Humanize life insurance by selling it in language that folks can understand," he advised.

Relating his own experiences in selling life insurance, Mr. Earls said "all of us should approach prospects who need and can profit by insurance with an attitude of making it mentally stimulating to those we seek to sell."

Shows Insurers Are Not Devourers of Investments

W. L. Talbot, in Life Presidents Address, Says No "Oversaving"

NEW YORK—In addition to tracing life insurance investment trends, President Walter L. Talbot of Fidelity Mutual Life, in addressing the Life Presidents Association annual meeting, took occasion to dispel the notion that life insurance companies have devoured most of the investments of the country and he also brought forth some figures showing what the effect has been in the aggregate upon policyholders, by the decline in interest yield. This paper on the financial and investment side of life insurance is an annual feature at the meetings of the Life Presidents Association and constitutes one of the most important articles of life insurance literature of the year.

Mr. Talbot observed that although the life insurance funds in the aggregate are large, they do not represent any oversavings by the people.

Division of Investments

The question has recently been raised, he declared, as to how this huge reservoir of life insurance funds relates itself to the sum total of all investments and capital. He classified investments into those of venture capital, short term credits and long term investments. An insignificant proportion of life insurance funds has gone into venture capital, despite the fact that a very high degree of safety is possessed by some stock issues, particularly preferred and guaranteed stock.

Neither are life insurance funds largely represented in the field of short term credits. These are peculiarly within the province of commercial banking.

Life insurance funds have mainly gone into long term investments comprising bonds and mortgages. It is true, he said, that the life companies have for several years absorbed a large proportion of the high grade new issues of bonds. When there exists such a scarcity of new issues, that situation is natural. "Should it not be a source of pride," he asked, "that life insurance management continues to regard the safety of its policyholders' funds as paramount, that it will sacrifice investment yield if need be but not investment security?"

Other Investors Predominate

Despite the huge volume of investment funds placed in high grade bonds and securities, as of Dec. 31, 1939, about four-fifths of all railroad, public utility and industrial bonds, five-sixths of all mortgages and six-sevenths of all government, state and municipal bonds were held by investors other than life companies.

In adhering to high standards with respect to the quality of the securities held, the companies have had to accept lower and lower returns. The yield factor is important because for fulfillment of the contract a conservative interest rate is assumed in the calculation of the premium and if not maintained through interest earnings, is made good from other sources such as mortality savings, etc. and because investment earnings affect the cost at which insurance can be made available to the public.

Investment earnings, after deduction of investment expenses, have dropped from a rate of 5.03 of mean ledger as-

sets in 1930 to 3.54 in 1939. That meant that insurance protection was more costly. During the nine years 1931-1939, the net investment income of all United States legal reserve companies was more than \$2,000,000,000 less than it would have been had the rate of investment return remained at the 1930 level. In 1939 alone, the net investment income was about \$400,000,000 less than it would have been at the 1930 rate. If \$2,000,000,000 additional investment earnings had been realized during the nine year period and could have been added to dividends to policyholders, the total dividends would have been about \$6,266,000,000. The amount actually distributed, however, was about two-thirds of that. If in 1939 dividends could have been increased by \$400,000,000, they would have totaled \$857,000,000. The actual distribution was only 53 percent of that amount.

In Terms of New Protection

If the \$400,000,000 had been saved to policyholders and a like amount used to buy new insurance, the assured could have purchased an additional \$14,700,000,000 of new coverage. The amount actually paid as initial premiums last year was \$303,000,000 and this provided \$11,124,000,000 of new coverage.

Mr. Talbot then went on to analyze the investment trend. Total assets of 49 companies representing 92 percent of total assets were estimated at \$28,250,000,000 as of the end of 1940. The total holdings in government and corporate bonds including a small amount of corporate stocks, aggregate \$16,722,000,000 or 59.2 percent of admitted assets. This contrasts with a percentage of 30.6 10 years ago. Government securities represented only 7.7 percent and corporate securities 29.9. Government securities are now 28.1 and corporate securities 31.1.

Federal bonds in 1930 represented only 1.8 percent of assets and now represent 19.8. The amount of federal securities held by the 49 companies at the end of 1940 will amount to about \$5,595,000,000. That is an all time high but the 1940 increase was only about \$532,000,000 as contrasted with increases of about \$1,000,000,000 during two or three of the past years.

Municipal Volume Tripled

State, county and municipal bonds have tripled in volume since the end of 1930 when they represented 3.4 percent of assets and now stand at \$1,768,000,000, comprising 6.3 percent of assets. Canadian government bonds amount to \$581,000,000 and represent 2 percent of assets. In 20 years they have never represented more than 2.5 percent of assets nor less than 2 percent.

Total corporate securities have maintained a rather stable ratio to total assets over the past 10 years but there has been a marked change in distribution as between railroad, public utilities and industrial securities. The latter two have continued their long range upward growth. Public utility securities have increased 142 percent in volume since 1930 and now amount to \$4,055,000,000 or 14.4 percent of assets. Industrial securities have tripled their volume amounting now to \$1,696,000,000 and the ratio to assets is 6. Railroad holdings have dropped from 17.1 percent of assets 10 years ago to 10.7 percent today. However, the volume of railroad securities has remained rather constant. It is now \$3,021,000,000. All three types increased in amounts this year—enlarging the total corporate security holdings by \$487,000,000.

Mortgage loans are less than half as important in the portfolios as they were 10 years ago. They dropped from 40.5 percent of assets to 18.9. The volume is now \$5,343,000,000. During the past four years, however, there has been an upturn in such loans and their present volume represents an increase of 14 percent over the amount held at the end of 1936.

Of the present mortgage loan total, only about one-seventh represents mortgages on farms which now total \$801,-

Omaha General Agent Is Called to Colors

Walter I. Black, general agent of John Hancock Mutual Life, has been requested to report for duty Dec. 23 as a captain in the Nebraska National Guard for a year of duty at Camp Joseph T. Robinson, Little Rock.

Mr. Black is a graduate of the Nebraska University law school. From 1928 to 1934 he was high school athletic secretary in Nebraska, entering life, insurance upon his resignation.

His first 2½ years with John Hancock he paid for more than \$250,000 each year. He was then appointed state supervisor. His position of general agent followed almost immediately. Mr. Black has served as secretary and president of the Nebraska Life Underwriters Association.

He takes a year's leave of absence at a time when the agency shows excellent results, the 1940 paid-for production doubling that of 1939.

Corwin L. Hulbert, the leading producer the past three years, will carry on as supervisor in Mr. Black's place.

000,000 or 2.8 percent of assets. The mortgages on non-farm properties amount to \$4,542,000,000, or 16.1 percent. The ratio of farm mortgages to total assets is the lowest of any year shown and the ratio of non-farm property mortgages is lower than any other year except 1920. Both classes of mortgages however, showed increases in outstanding amounts this year. There was an increase of \$10,000,000 in farm mortgages, the first increase since 1927. The increase in non-farm mortgages was \$212,000,000.

The present policy loan total is \$2,767,000,000, representing 9.8 percent of assets. Prior to the depression period a policy loan ratio ranging from 12 to 14 percent was regarded as normal. As a result of the depression demands, the ratio rose to nearly 18 percent of assets in 1932 and 1933. "The decline to the present level," he declared, "indicates the policyholder habits may be changing with respect to the use of this sort of credit." In part, at least, the lower level of policy loans may reflect improved economic conditions but some of it is related to the readiness of banks to make loans on the gilt-edge security of life insurance cash values at slightly lower interest rates than would be justified for life companies. The bank, he said, can time its loan, raise its rate with the market and it can skim the cream by avoiding the vast miscellany of small loans, which load the insurer's cost of loan administration. The life companies cannot take only the large loans and leave to other lenders the small ones that are expensive to handle.

Real estate holdings today amount to \$1,881,000,000 or 6.7 percent of assets compared with 2.4 percent 10 years ago. Such holdings reached a peak of 8 percent of assets at the end of 1937. During the past three years, there have been decreases which have not been large, however. Cash holdings amount to \$910,000,000 or 3.2 percent of assets as compared with .7 percent of assets at the end of 1930.

Mr. Talbot estimated that the total assets of all U. S. legal reserve companies will reach a figure of \$30,775,000,000 at the end of this year.

"In terms of human values," he said, "this vast sum stands out as probably the greatest single hope of the American people. In all the world there is nothing to match it. It is a credit to the 65,000,000 earnest, thrifty, self-reliant Americans whose savings it represents and who rest their security upon it. It is a monument to the American agency system, and an eloquent answer to those who dwell much upon the minor faults of that system. It is a challenge to the highest intelligence and integrity of the men who manage it. Through all the darkness of the past decade, bright lights of life insurance performance stand out as an augury."

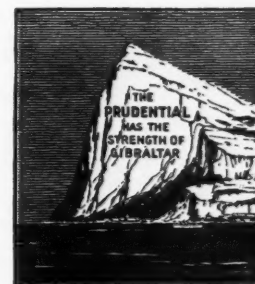


How Much Am I Bid?

Ask any one of the fathers on your list of prospects to value his son or daughter and the answer will read like a statement of the gold deposits at Fort Knox.

Then ask him how these objects of his affection would be provided for if they should become fatherless before they are self-supporting.

Explain how life insurance could meet the emergency.



The Prudential
Insurance Company of America

Home Office, NEWARK, N. J.

Wright Implores Presidents to Weigh Agents' Demands

Sees Threat of Outsiders Compelling Changes and Getting Credit

NEW YORK—A cogent appeal to the chief company executives to become more sensitive to the attitude of the agents and avoid longer postponing action on the demands that are being made by the field forces for improved working conditions was contained in the address of Harry T. Wright, president of the National Association of Life Underwriters, in his appearance before the annual meeting of the Life Presidents Association. Mr. Wright urged the presidents to realize that there is a situation that needs attention and something must be done about it now.

"It would be a most serious mistake," he declared, "when a problem is presented by your field forces in an honest and most friendly way, to disregard or postpone meeting those problems when in so doing it may give other groups, who may not have the best interests of the life insurance business at heart, an opportunity to take credit for doing something that the companies had intended doing, but just hadn't gotten around to completing."

Enumerates Demands

Mr. Wright suggested what the companies should do. For one thing, they should take into their counsel, the representative personal producer. They should cancel the large number of contracts of unproductive, unfit part time agents who are impairing the prestige of the representative producer. The chief executives should insist that the various department heads every day take the same sympathetic view of agency problems that the president publicly indicates will be done. "Unfortunately," Mr. Wright declared, "department heads often make rules that may solve a bookkeeping transaction but creates a serious problem for the man in the field."

An increasing number of companies should get behind the agency practice agreement.

"While the field forces realize that the pension and social security problem is an intricate one," he declared, "we are hopeful that in view of the comprehensive study recently made of this subject, it will enable the companies to present in the near future a retirement plan for their agency forces."

Mr. Wright said that the presidents should give serious consideration to the adoption of that part of the report on agents' compensation which deals with an adjustment of commissions.

Satisfies Common Justice

"This in my opinion fills a long felt want. It takes away part of the commission from the man who passes out of the picture and who probably doesn't deserve it and gives to the representative agent who is a permanent fixture and a credit to the business the service commission that he deserves."

Mr. Wright asserted that the agent is confronted with an unjustified degree of sales resistance, which he contended, is largely due to the men under contract who do little business and who are a discredit to the institution. A sincere effort to correct this situation immediately would get an amazing reaction from the agents who are doing about 85 percent of the business, he said. It would have the same effect on the public. The good agents today, he said, are

(CONTINUED ON LAST PAGE)

Monk Reelected Life Counsel Head

Valuable Legal Papers Featured—Spring Session at White Sulphur

OFFICERS ELECTED

President—Wesley E. Monk, general counsel, Massachusetts Mutual Life.

Vice-president—R. E. Henley, vice-president and general counsel Life of Virginia.

Secretary-treasurer—Harry Cole Bates, general counsel Metropolitan Life.

Assistant Secretary—Mildred E. Drinan.

Executive Committee—J. A. Ewing, legal adviser Sun Life of Canada; Berkeley Cox, associate counsel Aetna Life; W. Calvin Wells, general counsel Lamar Life; P. M. Henry, general counsel Equitable Life of Iowa; Robert Dechert, counsel Penn Mutual Life.

NEW YORK—With Wesley E. Monk, general counsel Massachusetts Mutual Life, presiding and more than 100 in attendance, the annual meeting of the Association of Life Insurance Counsel was held here this week.

Reporting as chairman of the executive committee, Phineas M. Henry, vice-president and general counsel Equitable Life of Iowa, recommended the election to membership of William R. Shands, counsel Life of Virginia; W. L. Wilkinson, attorney Connecticut General Life; H. S. Haggard, attorney Phoenix Mutual Life. They were unanimously elected.

Secretary-Treasurer Harry Cole Bates, general counsel Metropolitan Life, reported a substantial cash balance on hand.

The secretary was instructed to send telegrams of best wishes to these members who were unable to be present because of illness: R. E. Henley, association vice-president and general counsel Life of Virginia; L. H. Cooke, general counsel New York Life, and V. P. Whitsitt, manager and general counsel Life Presidents Association. President Monk appointed Sam T. Swansen, general counsel Northwestern Mutual Life, chairman of the nominating committee.

Liability on Declinations

G. E. Coxworth, assistant general counsel Ohio National Life, spoke on "Liability Incident to Declinations." He said that in the majority of declined cases the mere notification of the declination suffices, but in other cases a request is made by the agent who wrote the business or the applicant demands that he be given the reasons for the declination. The usual answer is to decline to give any reason for the rejection, or to state that such declination is because of the confidential information or that the risk does not come up to the company's standards. He pointed out that the right to refuse to enter into a contract is an absolute right where it exists and does not give the one refused a claim in damages.

Mr. Coxworth concluded that, while the liberal interpretation by the courts of the principles of the law of privileges as it may be applied to the use of inspection reports in underwriting of risks leads counsel to hope for a favorable outcome of any action for damages for defamation resulting from their use, such result can be expected only if the practices in the use and publication of reported information are such as to bring them strictly within the rules of privilege. It is very important, he said, that home offices avoid publication to branch offices, general agents or others outside of confidential employees in the underwriting department.

J. G. Godsoe, assistant general manager Confederation Life, spoke on "Life

Seek Rehabilitation of Central States

Reinsurance May Not Be Necessary—Impairment Set at \$4,514,707

ST. LOUIS—Plans for rehabilitation of Central States Life on a basis that will protect policyholders are moving forward, with cooperation being accorded to Superintendent Lucas, the receiver, by Alfred Fairbank, president, and other officers.

Several out-of-state companies have indicated an interest, notably Occidental Life of Los Angeles. Some Texas interests have also expressed a desire to bid should it be decided to reinsure.

Out-of-State Bids Not Favored

But since Mr. Lucas has indicated that he does not look with favor on out-of-state bids, as most of the assets are represented by St. Louis real estate and he feels that they require close local supervision, it seems certain that if reinsurance is resorted to it shall be through a Missouri company. Mr. Lucas discussed reinsurance with officials of Kansas City Life some weeks ago, but it is understood the Kansas City interests felt rehabilitation could best be effected without the necessity for reinsurance. At any rate it will not submit a bid.

The new examination reduced the gross assets of \$18,483,896 to admitted assets of only \$12,351,365, while total liabilities, excluding capital of \$400,000 were estimated at \$16,866,073, a net impairment of \$4,514,707.

President Fairbank may be asked to head the company if it is decided to reorganize it as a mutual.

Officials Are Retained

Mr. Lucas has kept on the payroll Vice-president J. DeWitt Mills, G. P. Henderson, secretary-treasurer, and R. W. Burd, counsel. President Fairbank, while not retained on the payroll, is still on the job. The same is true of Executive Vice-president Fred D. Strudell.

Salaries of the executives have been reduced during the period of receivership. The medical examiner and seven clerical employees have been dropped while the salaries of four others were reduced. In all some \$30,000 a year in expenses were lopped off.

Continue RFC Payments

Circuit Judge Ward has authorized Lucas to continue the \$10,000 a month payments on the \$775,000 RFC loan, which is secured by collateral with a value in excess of \$4,000,000. While death and disability benefits, policy loans and cash surrenders have been suspended temporarily, policyholders are required to keep up their payments. New premium payments are being placed in a special fund and credited to the reserve of the policies for the future benefit of the policyholder, regardless of the final plan.

Frank X. Jones, St. Louis real estate (CONTINUED ON LAST PAGE)

Insurance in Canada and the War." At the conclusion of his address Mr. Godsoe was elected to membership in the association by unanimous vote.

At Wednesday's session H. C. Spencer, chairman insurance section American Bar Association, brought the greetings of his organization.

A. B. Scott, general counsel Atlantic Life, told of an interesting disappearance case.

L. W. Dawson, vice-president and general counsel Mutual Life of New York, was the final speaker, on "War Clauses."

On recommendation of the executive committee the annual dues were reduced from \$35 to \$30. The spring meeting will be held at White Sulphur Springs.

Institute Surveys Annual Statement Possibilities

Medium for Spreading Good Will and Appreciation of Services Rendered

Annual reports by companies more and more are coming to be regarded by the home offices as an advantageous medium for telling the story of life insurance in action to the steadily broadening audience. H. J. Johnson, president Institute of Life Insurance, declared in a survey, "Developing Policyholder Interest in the Annual Report," sent out this week in the form of a 40-page booklet. The study contains analysis of reports, material and information supplied by 167 companies of the United States and Canada, covering 1939 operations. There is an analysis of annual statements advertising of 112 companies which reported they had advertised their figures.

Benefits of Advertising

"Publication of these statements in advertising has at least three advantages from the public relations standpoint," the brochure states. "It demonstrates on the part of companies a recognition of their obligation to the public. It meets the current demand for frank disclosure of information about the business. It provides a medium for conveying the basic institutional story of life insurance."

More than 65 percent of the annual statement reports used illustrations of one form or another with increasing emphasis on human interest both in presentation of benefit payments and in the type of picture used. The number of companies which presented income and disbursement figures in addition to the balance sheet increased and the revenue form of statement, as contrasted to the traditional or ledger statement, gained favor.

There was a definite trend toward simplification of the balance sheet with efforts towards clarification by differentiating policy reserves from the usual conception of reserves for unpredictable contingencies and other liabilities, and making it clear they are set aside for the protection of policyholders.

Vitality Affects Policyholders

The booklet emphasizes that the annual statement extends beyond the immediate facts of the business itself to the factor in the economic or general situation which affects the interest of policyholders or influences their lives.

"It is in the story of the year's operations that management has the chance to indicate how it is discharging its obligation as trustee for the security of the policyholders. In the development of this story the manager can give policyholders a better understanding of how life insurance works. It can properly take policyholders into its confidence as to the problems of the business."

The annual report is probably establishing a basis for conservation of the benefits for which people buy life insurance, by pointing out the growth of the income end of settlements, the study continues, since the value of life insurance in terms of family protection is best measured by the income which it will provide rather than by the face value of the policy.

"The discussion of interest rates might well be broadened to point out that low interest rates penalize thrift (CONTINUED ON PAGE 30)

Inflation and TNEC Fears Discounted

Foskett Says Policyholders Need Not Fear for Safety of Insurance

DES MOINES—Inflation and the Temporary National Economic Committee's study of life insurance were discussed before the Des Moines Association of Life Underwriters by Horace Foskett, assistant vice-president Equitable Life of Des Moines.

Mr. Foskett declared that policyholders need not have the slightest fear that any type of inflation or deflation will in any manner affect the safety of his life insurance policy or the company which issued it. "Runaway inflation such as experienced in Germany following the first world war cannot happen in this country," he stated.

"On the basis of the record, no policyholder need have any concern about the TNEC investigation or any fear that it will be successfully used to promote federal control of the life insurance companies," Mr. Foskett declared, expressing the belief that the insurance press has overemphasized the importance of the investigation.

Have Faith In Companies

"Our policyholders have greater faith in the companies than they have in any new deal agency," Mr. Foskett said. "Proof of this is the reaction of our policyholders to the intimation of the possibility of federal control. Such inquiries from policyholders are not inspired by fear that anything is wrong in the companies, but rather by a fear that through federal supervision the government will get control of their life insurance company. It is your duty and my duty to disabuse them of this, and it can easily be done if we just keep things in proper perspective and keep in mind the politics of the situation."

Congress Must Act

Regarding the future of the investigation, Mr. Foskett emphasized that Congressional hearings must be held before any action is taken and he continued: "It is in these Congressional hearings that the first real opportunity will be given to the life insurance business to present its side of the story. The SEC will then be both the judge and the prosecutor. The legislative branch of our government will be in control and legislators will not do anything that is opposed to the best interests of the majority of their constituents. Most of them realize that there are limits beyond which it is unwise to go in the concentration of power and authority in Washington.

"I still have faith in the democratic processes as practiced by our legislative bodies, and I have no fear that Congress would ever vote federal supervision of life insurance.

Take Advantage of Criticism

"Let us be very careful that we do not rest upon our record of the past, but take advantage of the critical study which the SEC has made to improve the life insurance business and broaden the service it renders the public.

"I believe all of us will admit that the SEC by focusing our attention upon the high turnover of agents and their inadequate average earnings, has done the companies, the life underwriters, and our policyholders, a real service, and I am sure that great good will come from this end and other criticisms of the SEC, unfair as they may have been in their presentation.

"Since the economic welfare of this country is so vitally affected by its political life, great responsibility rests upon the life underwriters. You are the ones who will determine what the public thinks of the life insurance business and the companies comprising it.

We need never fear what the politicians may do to life insurance so long as you look upon yourself as the public relations counsel not only of your own but of every good life company."

The only reason for anyone to have fear of runaway inflation in this country is concern over the mounting federal debt, Mr. Foskett pointed out. "No one knows just the limit beyond which any further increase in governmental debt will have an unfavorable effect upon our economy, but this one thing is certain—so long as our people evidence a willingness and intention to repay the debt, however slowly, such a limit has not been reached.

"The prompt reaction of our policyholders to the talk of inflation during the recent campaign is but one of the many indications that in a nation such as ours the citizens of this country have too much at stake to permit any administration, even if it is so desired, to repudiate its obligations in any manner."

E. J. Ziener Assistant Ill. Insurance Director

E. J. Ziener, real estate man and local insurance agent of Rockford, Ill., who has been active politically, has been appointed assistant insurance director of Illinois, taking the place of Roy L. Davis, who resigned to join the Association of Casualty & Surety Executives. Mr. Ziener, of course, will hold office only for the remainder of Governor Stelle's term, to Jan. 13. Mr. Ziener for the past few years has been acting as bank receiver and receiver for real estate properties in his community. He represents American of Newark, Continental, American Surety, Bankers Indemnity and National Casualty. He was connected with the insurance department as an investigator several years ago.

Ziener was in the Illinois department license bureau from 1933 to 1936.

A. L. C. Roundup in New York

NEW YORK—The entire committee of the American Life Convention met here Tuesday to dispose of a number of routine matters. There were present Julian Price, Jefferson Standard Life; president; Col. C. B. Robbins, general counsel; L. D. Cavanaugh, Federal Life; C. A. Craig, National Life & Accident; W. C. Schuppel, Oregon Mutual Life; W. T. Grant, Business Men's Assurance; J. A. McLain, Guardian Life; A. J. McAndless, Lincoln National.

Some of the former presidents who participated in the conference were I. M. Hamilton, Federal Life; L. J. Dougherty, Occidental Life; O. J. Arnold, Northwestern National Life; H. M. Woollen, American United Life; J. M. Laird, Connecticut General; H. K. Lindsley, Farmers & Bankers Life, and T. A. Phillips, Minnesota Mutual.

State Mutual Continues Gains

The State Mutual Life, beginning with February, 1940, steadily has chalked up gains every month for 10 months, comparing its paid business month by month in 1939. The November report gives the company an 11 month gain of 21.46 percent.

According to the Cavalier Club, the bulletin published monthly by State Mutual during the qualifying period for the 1941 convention, which will be held June 23-25 at Virginia Beach, Va., 14 agencies already have qualified one or more men for the meetings, with but little more than half the qualifying period over. Three of the 14 agencies, the J. B. Clark agency, Boston, the Louis Gross agency, Minneapolis, and the Gerald H. Young office, New York, had more than one man fully qualified last month. One agent qualified in June, two in July, six in August, three in September and five in October. Of these, several have qualified on more than one basis and several are new men. The qualifying period began on Feb. 29, and a total of 17 have now secured the convention trip for themselves.



ONLY THREE PRESIDENTS SINCE 1865

DURING the 75 years of its existence, the Provident has benefited by the alert leadership of the men pictured here. In three-quarters of a century, it has had only these three presidents—a striking evidence of the stability and continuity which has always characterized its management.



SAMUEL R. SHIPLEY
From 1865 to 1906



ASA S. WING
From 1906 to 1931



M. A. LINTON
Since 1931

PROVIDENT MUTUAL
LIFE INSURANCE COMPANY OF PHILADELPHIA
Pennsylvania • Founded 1865

1865—75 YEARS OF PROVIDENT PROTECTION—1940

More Sex Appeal Urged for Institutional "Ads"

By ROBERT B. MITCHELL

NEW YORK—Sex appeal was strenuously urged here this week as the missing ingredient needed to give a desirable degree of "oomph" to the institutional advertising of the Institute of Life Insurance. However, it may be some time before these suggestions are put into practice, as they were advanced during a skit in the New York City Life Managers Association gridiron dinner. Many company and association presidents and other officers were among the audience of more than 600.

The Institute of Life Insurance was of course only one of the numerous organizations, companies, and personalities satirized by the cast of more than 40. No one in the audience, though he might be shaking with laughter, could have any assurance that he might not be the next one to be lampooned. But even those who took the most unmerciful ribbing had to confess that altogether it was an evening of good, clean fun, though not always both at the same time.

"What's the Matter with Sex?"

In the "Institutional Oomph" skit, Holgar Johnson, the institute's president, was played by General Agent A. J. Johannsen, Northwestern Mutual, Brooklyn. Ed Graham of "Yours Truly" fame, (Kenneth Anderson, Provident Mutual) complained to Mr. Johnson that while his column, his articles, and the Institute motion pictures have been good they have lacked oomph.

"What's the matter with sex," Mr. Graham demanded. "Sex has been tried and it works! Sex is here to stay. Why attempt to be original when you know what gets them?"

To illustrate this suggestion four male members of the cast attired in wigs and bathing beauty costumes marched out. Channing Davis, Berkshire Life, wearing an Indian head-dress sang:

"I am Miss Mutual Life
I am kind of old and sleepy
Why don't you come up and see me
Sometime in my Nassau Street teepee."

Lauds Northwestern's Virtue

The second bathing beauty, General Agent A. V. Youngman of the Mutual Benefit Life, wearing a tin halo sang:

"I am Miss Northwestern Mutual
The epitome of virtue
I wear a spotless garment
And my net cost won't hurt you."

Freeland Harlow, Penn Mutual, carried a lighted cigarette lighter for his characterization, in which he sang:

"I am Miss Metropolitan
Where organization prevails
I stand on Twenty-Third street
With a light that never fails."

Just then the light went out. The fourth bathing beauty, Miss Lincoln National, was adorned with a Lincoln-esque beard and her lines were shorter than the others' and even more to the point:

"I am lovely Lincoln.
Don't you think my costume's stinkin'?"

Having convinced Mr. Johnson that sex appeal is the proper course, Ed Graham tried to promote Hedy LaMarr for the job. Mr. Johnson, however, was obdurate and finally confessed his reason: "My name is Holgar Yohnson and I vant Greta Garbo."

The spot in which the Prudential would find itself if the Rock of Gibraltar should be bombarded out of existence was the theme of another skit. This catastrophe was apparently imminent as the curtain rose on a frantic meeting of the Prudential board of directors. It was brought out that the company's net cost would be increased 50 percent on account of having to get up new stationery, new policy forms, and even new

specimen containers without the rock.

There was much brow-furrowing over a new slogan. None seemed satisfactory although suggestions included "Secure as Alcatraz," and "Secure as Boss Hague." Finally General Agent Jules Anzel of the Continental American in the role of one of the directors after an obviously intense period of concentration came forward triumphantly with the suggestion, "Much safer than the Rock of Gibraltar."

However, even this slogan wouldn't do so it was finally decided to send the Prudential Foreign Legion to keep the Rock of Gibraltar from falling into enemy hands. They went marching off singing, "We'll come back alive with a modified 5, we're Prudential men." The Foreign Legion, with the aid of a tremendous sound effects barrage, won the day and Mr. Anzel, now in command of the legion, proclaimed, "By virtue of my authority as chairman of the mortgage committee of the Prudential I hereby declare the Rock to be safe for all time. Now get out on your debits, men. The meeting's adjourned."

Incidentally, the Foreign Legion expedition was financed out of "funds set aside for payment of death claims not yet incurred, which if we were not in New Jersey would be surplus."

President Harry T. Wright of the National Association of Life Underwriters was shown getting advice from various advisers on "a big drive for democracy." This was a monologue by Hubert Davis, Union Central.

Mr. Wright's predecessor as head of the N.A.L.U. General Agent C. J. Zimmerman of the Connecticut Mutual in Chicago, was also taken for a ride. John O'Mara, Phoenix Mutual, sang to the tune of "If You Knew Susie," a song about Mr. Zimmerman in which he observed:

"He's commuted from coast to coast
All his agents think that Zimmerman's
a ghost
From Cincinnati to Philly to Frisco
Hilly

He got Marco Polo looking silly."
There was a reference to Mr. Zimmerman's testimony before the TNEC:

Select Wichita for Spring Rally

NEW YORK—Wichita was selected by the National Association of Life Underwriters trustees for the mid-year meeting, which will be held March 28-29. Lynn Smith, general agent for Connecticut Mutual Life, Wichita, extended the invitation. Although not sending personal representatives the Florida state association and the Davenport association also extended invitations.

Trustee Paul Sanborn, general agent Connecticut Mutual, Boston, described the membership rally held the previous evening by the Boston association as illustrating what can be done through the cooperation of field leaders, general agents, managers, supervisors, and home offices, plus a worthwhile program of activities that will keep the new members on the rolls after they are in. The Boston meeting drew an attendance of 2,300, a record for any state, local or national gathering.

Mr. Sanborn said that general agents and managers had pledged a minimum of 769 new members and that he believed the final figure would run above 1,000, which with the association's present 1,050 membership, would place the Boston unit second only to Chicago.

The Wichita invitation was presented by W. H. Nicholls, Jr., Penn Mutual president Wichita Life Underwriters Association; Lee Wandling, Equitable Society, president Wichita Association of General Agents, and O. Lynn Smith, Connecticut Mutual general agent and wheelhorse of both the Wichita and Kansas associations, both of which were strongly behind the invitation. Last spring the National Association of Insurance Agents held one of its most successful mid-year meetings in Wichita and found the facilities quite adequate and they contended the same would be true for the life underwriters.

"In senate niches he lost his breeches
He was heckled by some—dandy fellows."

In "The Boys from Hartford," Gibson Lewis, general agent Massachusetts Mutual, Paul Troth, supervisor of publicity, Home Life of New York, and Timothy Foley, general agent State

(CONTINUED ON PAGE 30)

Expect Release of SEC Report Next Week

Much Interest in Possibility of Legislative Suggestions of TNEC

WASHINGTON—According to the best information the Securities & Exchange Commission will release its report on the life insurance investigation by the TNEC some time next week. Wiseacres here are of the opinion that the report was held back a week to see whether the National Association of Insurance Commissioners would take any action at its meeting in New York this week. Perhaps the meeting of the Life Presidents Association may have had a bearing on the postponement.

At any rate, the voluminous document is completed and will be officially transmitted to the TNEC. The latter will then decide whether it desires to make any recommendations along legislative lines to congress. Perhaps the most critical feature centers about industrial insurance practices. Those who have had a squint at the report say that this is a drastic commentary. The speculation centers about the TNEC, and the possibilities of some legislative enactment. The members are convinced that nothing can be done along taxation lines as this is a state and local matter.

Three Ideas Are Found

Back in the minds of the members, especially those representing the executive arm of the government, are three proposed lines of procedure that will give the federal government at least a foothold on life insurance. In the first place, some of the TNEC members believe that the federal government can undertake to supervise the accounting method of life companies, and perhaps set up a system that they feel will give the public a clearer insight into the internals. In the next place, it is thought that legislation may be recommended that will give the government the opportunity to dictate the manner in which annual financial statements shall be compiled and set forth. The next idea, and this seems to be the most far reaching, is to give the federal government the sole duty of making company examinations.

In this particular, it would follow the Canadian system. The Dominion commissioner has full power to make examinations and that is his only function. The provincial superintendents do not have anything to do with this work. It was intimated to your correspondent that Gerhard Gesell, special insurance attorney for the TNEC, might go to New York and have a conference with Commissioner Blackall of Connecticut, president National Association of Insurance Commissioners, and perhaps one or two of the other leaders and get their reaction to these three proposals.

It is not believed the TNEC will recommend any federal insurance code, not desiring to step too heavily on the toes of the states. As soon as the new congress convenes there is the prediction that some measures will be introduced, coming from the TNEC hopper. The three points already mentioned are evidently deep seated and are most likely to be presented.

Nominations are now being received for officers of the St. Paul Managers & General Agents Club, to be voted on at the annual meeting in December. The club held a routine business meeting Nov. 29.

New Toronto, Winnipeg, Managers



P. V. BOND



J. N. CONNACHER

Great-West Life has promoted P. V. Bond to manager of the Toronto 1 branch and J. N. Connacher to Winnipeg manager.

Mr. Bond, who succeeds C. F. Dunfee, recently appointed superintendent of eastern agencies, joined the company in 1927 as supervisor at Winnipeg and in 1938 was appointed manager there. He obtained his C. L. U. degree in 1935 and

was elected president of the Winnipeg Life Underwriters Association in that year. Last year he was provincial vice president of the association for Manitoba.

Mr. Connacher joined Great-West Life at Winnipeg in 1937 where he established himself as a leading personal producer. He was appointed manager at Hamilton a year ago.

Companies Dubious About Proposed FHA System for Farms

Mortgage Insurance Charge Would Raise Cost, No Comparable Benefit

Though life companies are heavy purchasers of FHA-insured mortgages on residences and large scale housing projects, life company farm loan officials are inclined to be dubious about the extension of the FHA insurance system to farm loans as is being urged by a group of mortgage bankers in the middle west. S. M. Waters, president of H. R. Waters & Sons of Minneapolis, is the principal spokesman for this group.

Mr. Waters' contention is that of an estimated \$2,500,000,000 of farm mortgages now held by government lending agencies approximately half could be transferred to private investors in the next few years if a plan similar to the FHA were made available. In his opinion, "it would mean the return of private investors, particularly the large institutional investors, to the field of farm lending, one which they have largely abandoned in the last two decades."

As for life companies' farm lending taking a spurt by reason of an FHA system for farm loans, it is regarded as extremely unlikely because many companies are already making farm loans in large amounts and on terms which are low enough—anywhere from 4 to 5 percent—to enable them to compete with existing governmental farm lending agencies on approximately even terms.

Actually, the FHA already includes a provision for making farm loans but it is so hedged with qualifications that it has found very limited use. Presumably, however, what Mr. Waters and his group want is an adaptation of the FHA which would be applicable to the farmer's particular requirements. These are quite different from the city dweller's.

Insurance Boosts Cost

The fundamental difficulty that any FHA system for farmers would have is that it adds an insurance premium, one-half of 1 percent of the outstanding balance, and certain items of overhead expense that are absent when the loan is made directly between the borrower and the lending institution. The farmer can already get money from either the life companies or the federal government for a rate of interest ranging slightly upward from 4 percent.

Consequently, unless a farm FHA system contemplated persuading lenders to accept the lower effective rate

that would result from imposing the one-half of 1 percent insurance premium it is difficult to see where such a scheme could compete with existing lending agencies. A very natural question is, Why should a life company accept a lower interest rate on FHA-insured farm mortgage when it is entirely willing and able to self-insure the risk which the FHA would assume?

Has Additional Handicaps

In addition to the handicap of a one-half of 1 percent differential for mortgage insurance, the present FHA system would have to be changed in several respects to have any chance of meeting the requirements of farmers.

1. Instead of the maximum 25-year amortization period permitted by the FHA on residence loans, farm amortization should be at least the 33-year period permitted by the federal land banks. Since farm buildings represent a relatively small part of the farm's value there is not the need for the shorter amortization period that is required on residences.

Owner Should Pay Own Taxes

2. The borrower should be permitted to pay his own taxes and fire insurance premiums as they fall due instead of being required to pay one-twelfth of these payments in advance each month along with his interest and amortization payment. Since the farmer usually gets the bulk of his income once a year when he markets his principal "money crop," the requirements for monthly payments, which are entirely convenient for city dwellers, would have to be changed for the farmer. This applies to interest and amortization as well as to insurance and taxes.

3. The FHA system, in case of foreclosure, gives the lender government debentures in exchange for the mortgage. However, these debentures do not include overdue interest and insurance paid by the mortgagee before instituting foreclosure, consequently the mortgagee is penalized if he does not foreclose at the earliest possible date. There would have to be some provision so that the mortgagee could, without penalty, hold off foreclosure proceedings in case a farmer had a run of bad luck through no fault of his own.

Jaqua Finds Promise in 1941

CINCINNATI—A. R. Jaqua, associate editor Diamond Life Bulletins, spoke at meetings of the Cincinnati Sales Executive Council and the women's division of the Cincinnati Life Underwriters Association. Mr. Jaqua pointed out possibilities for increased sales because of greater employment and the fact that there would be the largest number of prospects between 20 and 45 years of age than ever before. He said that 1941 will be a good year for research, and the development of new products and new markets. There will be fewer salesmen on commission and they will be better supervised. Selection and training methods will be improved.

SUCCESSFUL SALES EXECUTIVE,

an officer of large California national bank, with outstanding personal record for promotion of new trust business, seeks larger opportunity. 39 years old, college graduate, law trained, married, two children. Fifteen years sales experience; 3½ years with present bank, 12 years as life insurance agency manager and underwriter. Has lifetime "position," but wants tougher assignment with opportunity for larger earnings. Address M-51, The National Underwriter, 175 West Jackson Blvd., Chicago, Ill.

General Agency Opportunity at St. Louis

One of the upper bracket, New York Standard Companies is about to make a change in its old established agency at St. Louis. This agency has done well in the past. Large volume of good business in force. Substantial collection fees. A real opportunity for the right man, who must be a producer of proven ability, with qualifications for management. State full history and insurance record.

Address M-48,
The National Underwriter,
175 W. Jackson Blvd.,
Chicago, Ill.

Few Openings for Life Company Funds in Defense Program

NEW YORK—Life companies will probably not do much direct investing in plant expansion activities connected with the defense program. Present plans for financing this work call for the use of bank credit, these loans being amortized over a five-year period. There is a possibility that the government may get around to setting up a plan for financing plant expansion out of savings, which would include investments by life companies and savings banks, but it would not be for any lack of a supply of bank credit as the latter is as large as may be necessary and can be built up to any desired proportions by having the banks buy government

bonds and issue bank notes against them.

The only way that life companies could participate in the defense financing would be for the government to get an amendment to the law permitting issuance of securities running longer than five years and bearing a higher interest rate. Life companies could, of course, compete with the banks in the purchase of the five-year notes, but the maximum interest rate on these is 1½ percent, the Reconstruction Finance Corporation having guaranteed to supply the necessary money if it cannot be obtained elsewhere at a rate at least as low as 1½ percent. Obviously this is not a high enough rate to attract life company investments.

Will Help Indirectly

Indirectly the defense program may be of considerable help to the life companies' investment position. As various industries respond to the greater activity induced by the defense program, their

REARM WITH LIFE INSURANCE!

We are now facing the task of creating defenses superior to any present emergency. As we protect for ourselves our American way of life, we must, with equal foresight, preserve its promise of security for our wives and children.

Rearm, for them, with life insurance!

E. Greenwood
President



GREAT SOUTHERN LIFE INSURANCE COMPANY

Home Office

Houston, Texas

capital requirements will be reflected in demands for money. Railroads, for example, are already buying equipment, and equipment trusts are eagerly sought-after investments.

In like manner, the defense program may be expected to help the position of some of the poorer bonds, including railroad bonds, which life companies own. This would enable companies to get rid of these bonds without taking too great a markdown on the sale.

Effect on Municipals

Life companies face a possible curtailment in their opportunities to buy municipal bonds because of the defense program. During the last war the government went around to cities which were contemplating floating bond issues to provide improvements, such as highways or sewage systems, and got them to drop these developments on the plea that all available investment funds should go to financing war expenses through the purchase of liberty bonds. There are signs that the government will take similar steps in connection with the defense program. During the last war the government sometimes lent the money to cities to finance expenditures that were absolutely essential.

Another possibility is that new municipal bond issues will be deprived of the tax exempt feature. This would give life companies an opportunity to unload their present tax-exempt municipals, from which they gain little if any benefit from the tax exempt feature, and take on the new securities that would be sold. The latter would of course bear a higher interest rate and would be more profitable for the companies to own, while the scarcity value of old tax-exempt obligations would cause them to bring even higher prices than at present from individuals in the top income tax brackets.

Caminetti Wins Court Battle

LOS ANGELES—Commissioner Caminetti won in his battle with officers of Chapter 9 life companies in a trial in superior court here when Judge Schmidt dismissed the motion of counsel for Master Life to vacate and to set aside the order appointing Caminetti conservator of the company. The company refused to assume the burden of proof, as the court ruled should be the procedure, and Deputy Attorney-general Drucker moved to dismiss the company's petition, which was granted. This is the last of the companies taken over for which trials have been set. Four others remain in litigation, awaiting a supreme court ruling: Physicians Life, Ben Franklin Life, Mt. Moriah Life and Alliance Mutual Life.

Protests Tax Payments

MADISON, WIS.—The Lutheran Mutual Life has filed suit in Dane County circuit court to recover \$3,259 which was paid under protest to the Wisconsin insurance department to retain its Wisconsin license. The company, formerly the Lutheran Mutual Aid Society, was licensed in Wisconsin from 1916 to 1938 as a fraternal and during that period was exempt from paying the 2 percent annual premium tax. The department refused to issue a license this year unless the mutual paid a 2 percent tax on 1939 premiums paid by Wisconsin legal reserve level premium policyholders and also on contributions of members resident in Wisconsin holding fraternal life certificates. The company bases its refund demand on the contention that the certificates are not subject to the tax.

Moore Heads Cleveland Unit

Robert T. Moore, Mutual Life of New York, has been elected president of the Supervisors Group of the Cleveland Life Underwriters to succeed L. A. Barker, Sun Life of Canada, who was transferred to Charleston, W. Va. L. E. Guthrie, Home Life, has been chosen vice-president to succeed Mr. Moore. A Christmas party will be held Dec. 21.

Foundation Sets Out to Handle Legal End of Insurance Estate

S. C. Cyzio, head of Cyzio Service, Chicago, an attorney and former general agent of National Life of U.S.A. there, is behind a series of experimental advertisements appearing recently in Detroit and St. Louis newspapers offering in the name of the "Clinical Review Division, Insurance Research Foundation," 29 South LaSalle street, Chicago, an insurance analysis service, especially from the legal standpoint. The ads emphasized that there may be wasted premiums, misdirected efforts, miscarriage of protection and future disappointments if the insurance is not properly arranged.

The clinical report calls for a fee of \$2.50 per policy, with special flat rates for businesses and corporations. The survey will report on the legal aspects of actual policies submitted, showing among other things the effects of taxation and making recommendations as to wills and trusts. It will consider all forms of insurance protection.

Mr. Cyzio explained that his plan still was in the experimental stage, although it was initiated nine months ago.

He offers to assure a booklet entitled "Is This True of Your Insurance?" in which are pointed out some difficulties encountered with improperly arranged insurance. He also is publishing a brochure directed to attorneys and is contacting many members of the American Bankers Association throughout the country to enlist their cooperation and build up a list of local counsellors to whom he will refer inquiries from their communities.

In furtherance of this plan, Mr. Cyzio announced, Robert R. Harrold, independent adjuster of Los Angeles, who formerly for many years was head of the eastern claim department of Pacific Mutual Life in Chicago and later for a time headed the company's claim department in the home office, will go with Mr. Cyzio Jan. 1, as senior counsel to do research work. He will develop a standardized method of insurance legal analysis for use by the lawyers who become associated with the plan.

Termed Not Opposed to Agents

Insurance Research Foundation, Mr. Cyzio explained, although it has developed some criticism of insurance as handled in this country, especially the expense item and the large amount of litigation, is not opposed to the American agency system. Mr. Cyzio believes a man's insurance estate requires the

services of an attorney which heretofore it has been uneconomical for the average man to employ. Mr. Cyzio hopes to perfect a "mass production" technique which will make it possible to provide adequate legal advice on the insurance at the fee quoted.

After the report has been made to assured, Mr. Cyzio related, the service of the foundation terminates, but if the assured should voluntarily request, Mr. Cyzio will carry out the insurance recommendations made in the report. He stipulates that there will be no personal solicitation and no insurance will be handled for the assured unless this voluntary request is made.

Others in Cyzio Office

Located in the Cyzio office is the Walter C. Eden agency, which is shown in the "Underwriters Handbook of Chicago" as having a brokerage license to handle general insurance. There is also there a law firm headed by Mr. Cyzio which includes F. P. Rondeau, B. W. Gaul and C. Schuessler.

Mr. Cyzio was the author some years ago of a volume, "Your Insurance," which contained some startling ideas. He is a large personal life insurance producer averaging about \$500,000 annually on leads secured largely by mail through Cyzio Service.

A PROVEN SUCCESS



One of a series—Giving facts about the Fidelity.



November 15 marked the twenty-fifth anniversary of Fidelity's direct mail service, known as the Book Lead Plan. Writing to the field at the time, President Talbot said: "A proven success for twenty-five years, the Service is still going strong."

"In total, Fidelity agents have written over \$250,000,000 of life insurance as a direct result of this service. I am talking about results actually traced to cards in file. The collateral results that radiated from these contacts and these sales would vastly increase this total. How much, we will never know."

"In continuity of performance and pulling power, we know of nothing in all the field of direct mail advertising comparable with this twenty-five year record. It offers its own explanation why we have steadfastly held to the original letter written by Vice President Frank H. Sykes twenty-five years ago. Direct mail experts have marveled at the results we have shown."

"A book could be written on the business romance of these contacts with millions of people. No end of interesting experiences have occurred. Outstanding among them was a lead that yielded an annual premium of \$8,672, clinched on first interview."

"We rejoice in the success the Service has brought to so many of our people."

The FIDELITY MUTUAL LIFE
INSURANCE COMPANY
PHILADELPHIA

WALTER LEMAR TALBOT, President

Canadian War Complications

(CONTINUED FROM PAGE 3)

companies retained these payments at the same time furnishing the custodian with the details.

In the case of participating policies it was agreed that dividends other than those payable in cash, were to be applied by the companies in the same way as they were applied before the policy came within the custodian's jurisdiction. Dividends payable in cash were to be applied by the companies in payment of premiums to keep the policy in force. The custodian also agreed that in general premiums could be accepted on policies on lives of enemies. In a number of cases, for example, policies on the lives of enemies are being maintained in force by third parties who are not regarded as enemies and in such cases premiums are received and accepted in the normal course.

Policies Are Maintained

Policies on the lives of enemy nationals effected in neutral countries have been maintained in force surprisingly well and on many of the policies premium payments are being regularly made.

Questions concerning enemy policies also arose in view of the treaty of Versailles which granted an enemy policyholder once peace had been signed, the right to reinstate his policy without evidence of insurability upon payment of back premiums and interest at 5 percent per annum. Further it was held under the treaty that even though the insured had died, the right to restore his contract could be exercised. Although the companies are not anticipating such a provision in any future peace treaty, they have decided to keep permanent records of all lapsed policies on lives of enemies.

Special Clauses Interpreted

The war also brought up the problem of the interpretation of the disability and double indemnity clauses which in practically all cases provide for the cancellation of coverage in the event of active service. With respect to service with the Canadian active service forces most of the companies at the present time are following the practice of treating the total disability and double indemnity clauses as subject to automatic termination upon the date of the insured's enlistment. On the other hand, some of the companies, under their particular clauses have indicated that they are prepared to continue coverage so long as the insured is engaged in service within Canada or Newfoundland, provided, however, that hostilities do not occur within these territories.

So far as policyholders serving with non-permanent active militia or similar part time services are concerned, the wording of virtually all the clauses appears to be broad enough to provide for the automatic termination of the benefits upon engaging in such services. However, in view of the part time nature of the duties involved, most of the companies are following the practice of having an informal supplementary agreement completed or a simple letter furnished to the policyholders, providing for the continuation of the benefits regardless of such service, but subject as a rule to automatic termination upon the policyholder's joining any of the armed units requiring continuous full time service.

Reinstatements Considered

The application of the war clause to reinstated policies had to be given special consideration, Mr. Godsoe said. The uniform life insurance act and the particular wording of an individual company's reinstatement clause had to be taken into account. After considering the matter thoroughly, most of the companies are following the practice of inserting the clause in all reinstatements where the policy had lapsed more than 30 days. In making policy

changes the general practice is to insert the war clause, where a policyholder desires to change any existing policy to one on a cheaper plan, or to one for an increased amount of insurance.

On group contracts, master policies are now written containing a provision to the effect that any life insured who leaves the company's service to enter active service shall be deemed for the purposes of the contract, to have terminated his service with the company and not to have taken leave of absence. Under these circumstances the employee's coverage under group policy automatically ceases upon the termination of employment. So far as contracts issued prior to the outbreak of war are concerned, in a majority of cases the employer can continue the insurance in force for employees enlisting for active service under leave of absence provisions. In cases where these contracts were outstanding the employer was contacted. Although he was given a free hand in making the final decision, he was informed of the probable effect on premium rates if he utilized the leave of absence provision for employees entering service.

The war clause has been in effect in Canada for over a year and public has given it full approval, Mr. Godsoe said. Sales so far this year have been exceedingly good and of the business sold a liberal amount is on the lives of soldiers and sailors or those intending to enlist.

National Negro Body Plans for the Coming Year

The agency officers of the National Negro Insurance Association met in Atlanta as guests of the Atlanta Life to discuss plans for the annual nationwide essay contest for junior and senior high school students and also to complete arrangements for 1941 National Negro Insurance Week. The essay contest starts Jan. 1 and will close March 31. The subject is "Life Insurance and Its Relationship to Education." There will be \$1,000 in cash prizes.

National Negro Insurance Week observance is under the direction of a committee headed by F. A. Young, Universal Life, chairman. A. D. Doss, Mammoth Life & Accident, is secretary. C. L. Townes, Virginia Mutual Benefit Life of Richmond, is publicity director. National Negro Insurance Week will be observed the week of May 5-10.

During the Atlanta conference subjects discussed were: "Gross Arrears vs. Advance Pay," G. W. Cox, North Carolina Mutual Life; "Creating Greater Interest in National Negro Insurance Work by Classifying Companies According to Size and Kind of Business They Write," L. C. Blount, Great Lakes Mutual; "Agency Contracts," Charles Greene, Atlanta Life; "Labor Unions," J. G. Ish, Jr., Supreme Liberty Life.

The membership of the National Negro Insurance Association includes 41 companies and 12 local and state associations.

All La. Sheriffs, Deputies Covered in Group Contract

NEW ORLEANS—The Aetna Life was the successful bidder for a group life contract insuring all sheriffs and their deputies in Louisiana, except those in Caddo and Orleans parishes, for \$2,000 each. The contract runs in excess of \$1,000,000, covering some 520 lives. The rate quoted by the Aetna Life was \$1.60 a month per thousand. The insurance was taken out under the provisions of an act of the 1940 legislature. The insured pays \$1.20 monthly towards the premium, with the balance to be paid from each sheriff's salary account. Several other companies submitted bids.

H. S. Standish Is Honored by Sun Life on Retirement

LOS ANGELES—H. S. Standish, southern California manager of the Sun Life of Canada, who retires Dec. 12, to be succeeded by R. H. Finger, was the honor guest at a luncheon tendered him by the branch office force and home office executives.

W. S. Penny, director of agencies from the home office, was toastmaster. A. C. Coughtry, newly appointed superintendent of agencies for the western U. S., also was present. Mr. Finger, unfortunately, was unable to attend, being confined to his room with an attack of influenza.

Mr. Penny paid high tribute to Mr. Standish for his achievement of starting from scratch and building up a notably successful agency, as did Mr. Coughtry. W. T. Motschenbacher, San Francisco manager, on behalf of the managers and general agents throughout the United States, presented Mr. Standish a traveling bag, with a combination set to figures representing Mr. Standish's birthday.

J. A. Jackson, San Diego supervisor, presented him a radio on behalf of the southern California agency force. M. E. Clubine, resident secretary, Los Angeles, presented a hand-tooled, gold-lettered

memory book. Mrs. Standish and Mrs. Finger each received a bouquet of red roses.

Mr. Standish was born in Lima, O., March 18, 1874. He was assistant manager of the Union Central Life in Chicago before joining the Sun Life in 1924 as manager of the newly created southern California division. He was an officer in both the Spanish-American and first world war.

Wood to Speak in Cleveland

J. Harry Wood, vice-president John Hancock, will address the annual meeting of the Cleveland Life Insurance Executives club Dec. 10, on "What Do Our Observations Disclose for the Future of Our Agencies?" The business session will be held in the afternoon, followed by a dinner.

The Leaders Club Banquet, honoring Cleveland agency leaders for 1940, will be held Jan. 24. The two top leaders in each agency will be guests of honor. David M. Cowan, Sun Life of Canada, will be toastmaster. Principal speaker will be J. M. Holcombe, Jr., manager Sales Research Bureau. Earle W. Brailey, New England Mutual, is chairman of the committee in charge.

Increase your sales with "24 Men in 24 Years." 8 copies for \$1. National Underwriter.

Our New ARROW of GOLD POLICY Provides —

- 1—Low cost protection at less than term rates.
- 2—Selection of any renewal period (not less than five).
- 3—Renewal privileges any number of times until age 60.
- 4—Final renewal to age 70 (selection period ends at age 60).
- 5—Conversion privileges any time until age 70

A liberal, flexible, low cost contract. Extraordinary first year commissions and renewals.

Illinois Bankers Life Assurance Company

MONMOUTH, ILLINOIS

Exceptional General Agency contracts in the states of Illinois, Iowa, Indiana, Ohio, Missouri and Kansas

LIFE • ACCIDENT • HEALTH

EDITORIAL COMMENT

Big Question for Agency Forces

MOVES for federal control—unless they are abandoned for the time being because of the greater urgency of national defense work—will call for some careful analysis and sales resistance on the part of life agents during the next few months. The chance of putting any measure for federal supervision through congress depends on getting the active or at least tacit support of the field forces. Members of congress are extremely sensitive to the wishes of their constituents and it is the agents rather than the home office people who constitute an important segment of the organized voters "back home."

Every effort will be made to court the agent. It will require the utmost alertness and insight if moves for federal supervision are to be influenced in a way that is to the best interest of the public, the insurance business and the field forces themselves. Already there is evidence that the advocates of federal supervision are endeavoring to drive a wedge of doubt and distrust between field and home office. It was noticeable at the TNEC hearings that it was always the home office people who were painted as the villains, while if the agent did anything out of the way it was only because of pressure from the manager or home office.

The reason that so much vigilance and alertness will be required of the agency forces in any move for federal supervision is that the first proposals are likely to be so mild as to seem not worth resisting. Perhaps the first step will be only to require the companies to file statements annually at Washington, these statements being little different from those filed with the states but calling for just enough additional information to justify their being filled out. Once the right of the federal government to regulate insurance has been established it will become increasingly difficult and probably impossible to resist each additional encroachment.

There has been enough experience with centralized control in Washington, under Republican as well as Democratic administrations, to blast any notion that turning a problem over to the government is an effective way of solving it. Sometimes it is the only way out of an otherwise impossible situation but the penalties in the way of red tape, delays, complications and general inefficiency are heavy. These faults are not due to government employees being any less capable than those in private industry but are inherent in any government con-

trol setup. To guard against bureaucrats becoming petty dictators an elaborate system of prescribed routine is necessary to insure that general principles of fairness and good sense will be followed. These routines grow up into vast systems which force government employees to follow endless complications or else risk their jobs by cutting through the maze of red tape.

When there is added to this necessarily complicated setup the possibility of a power-hungry supervisory official seeking to extend the scope of his authority it can be seen why so many people in the insurance business are disturbed at the prospect of federal supervision.

The most disquieting feature of moves for federal supervision is that they are based not primarily on giving the policyholders of the country better and more uniform insurance laws and regulations but on the theory that some \$30,000,000,000 of life insurance assets are possibly not being administered in the best interests of a desirable social order. These billions of assets so far represent an accumulation of private moneys over which the federal government has no control. Undoubtedly a fairly plausible case could be made out for a type of supervision which would insure that these funds are invested not only safely but in the closest determinable conformity with the national economic and social wellbeing.

As a practical matter, however, it must be admitted that a great deal more is known about safe investing, as exemplified in the record of life insurance generally, than is known about operating a managed national economy. In view of the prime importance of life insurance assets to the policyholders themselves and indirectly to millions of other persons the probable dangers of trying to guide life insurance assets into channels theoretically determined to be socially or economically desirable would seem to outweigh any possible good, unless the interests of the policyholders are to be given a subordinate place. What tends to confuse the issue is that it is easy to fall into the error of thinking that federal supervision would be merely an addition to, and in some cases perhaps an improvement on, the present system of state regulation. In the movement for federal supervision there is an element to which there is nothing comparable in the present system of state supervision. The new factor is the desire to regulate the flow of in-

surance investments on a basis having nothing directly to do with safety and conservatism but on the contrary having the possibility of coming into conflict with those two desirable attributes. It is as if the state of New York, for example, were to concern itself with whether life companies under its jurisdiction invested their assets in ways which the state government felt would tend to promote the welfare of the state. Ordinarily there would be no conflict

but if one should arise there might very well be a question as to which point of view would win out.

It is for reasons like these that the agency forces will be called upon to do some pretty deep thinking on the subject of federal supervision. If the national emergency temporarily puts off such moves it will be all to the good, for it will permit everybody concerned to ponder the question of federal supervision more carefully.

PERSONAL SIDE OF THE BUSINESS

R. C. Carson, Jr., head of the life department of the Rockwood Company, Chicago, underwent an appendectomy and is in Passavant hospital there recuperating.

E. C. Mansfield, secretary Boston Mutual Life, who has been in a Boston hospital for several weeks, is now at his home and is making a satisfactory recovery.

Boyce Thomas, general agent for Aetna Life at Portland, Me., is receiving the sympathy of his friends following the death of his wife. For four years, Mr. Thomas was in the home office of Aetna Life and traveled over the United States, Mrs. Thomas with him much of the time. Mrs. Thomas died of pneumonia after an illness of several weeks.

Miss Mary Benton, daughter of President **Jay R. Benton** of the Boston Mutual Life, was married to Winthrop Jameson of Belmont.

Dr. Charles E. Albright, famed personal producer for Northwestern Mutual Life, a perennial million dollar producer, has offered to give the Milwaukee county park commission a valuable piece of land on the Milwaukee river for park purposes. The Albright property is wooded and slopes up from the river to a height of about 20 feet. It is near Hubbard Park and Riverside Park.

Denver C. Fields, general agent for Illinois Bankers Life at Champaign, Ill., and president of the Leaders Club of that company, was married at Monmouth, Ill., Thursday of this week to Miss Jean Walker, who has been employed at the home office of Illinois Bankers 2½ years. Miss Walker's sisters, Rose and Ruth, and brother, Ray, are also employed by Illinois Bankers. Mr. Fields submitted more than 150 applications for a total of more than \$250,000 in October in connection with the Loyalty drive and his November production amounts to about \$250,000 also.

R. E. Henley, vice-president and general counsel of the Life of Virginia, has been seriously ill in a Richmond hospital for several weeks, but his condition is now reported improved. He was, of course, unable to attend the annual meet of the Association of Life Insurance Counsel, of which he has been vice-president the past year.

H. J. VanWolfe, Grand Rapids superintendent of the Prudential, was honored at a dinner celebrating his 25th service anniversary. He started with the Prudential at Norway, Mich., in 1915, later serving agencies at Superior, Wis.; Duluth, Minn., and Escanaba, be-

fore going to Grand Rapids in 1926. He is a past president of the Grand Rapids Association of Life Underwriters. H. M. Stewart of the home office presented Mr. VanWolfe with a badge and certificate of membership in the Prudential Old Guard.

Angus O. Swink, president of the Atlantic Agency, general agent of the Atlantic Life in Richmond, Va., and former president of that company, was married in New York to Mrs. Frances Hill Hart of Chevy Chase, Md.

E. C. Hoy, formerly Newark and now Chicago manager of the Sun Life of Canada, has been elected an honorary life member of the Life Underwriters Association of Northern New Jersey, of which he is a past president.

Melvin Glantz, district agent Union Central Life, Albion, Neb., reserve officer, has been called for active duty and entered service Dec. 2 at Fort Sill, Okla., as second lieutenant.

Gen. C. R. Boardman, president Wisconsin National Life, returned to his desk this week after an absence of 10 days spent in northern Wisconsin deer hunting. Despite his 80 years and the fact that he came back without a kill, General Boardman enjoyed the trip very much and is looking forward to really "bagging" a deer next year.

Miss Catherine T. Whalen, secretary to Arthur A. Fisk, advertising manager Prudential, has retired after 31 years of service.

C. W. Reuling, co-general agent Massachusetts Mutual Life, has started his second term as president of the Peoria Association of Commerce. He is a partner in the Reuling & Williamson agency.

Hyman Rogal, Reliance Life, was presented a diamond-studded watch in appreciation of his activity as chairman of a membership campaign conducted by the Young Men's and Women's Hebrew Association in Pittsburgh.

DEATHS

W. O. Bristow, 62, long district manager of the Mutual Life of New York, at Franklin, Va., died there. He also operated a local agency. G. E. Pillow, a son-in-law, is manager of the agency. Mr. Bristow was one of the premier producers of the Mutual Life in Virginia, having qualified for the \$250,000 Club nine times. Once he turned in six applications for \$300,000 to qualify not long

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SAN FRANCISCO OFFICE—507-S-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Res. Mgr.; Miss A. V. Bowyer, Pacific Coast Editor.

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before the close of the year. Another time he wrote 41 cases for \$160,000 to qualify.

H. W. Jordon, 42, vice-president of the old Federal Reserve Life of Kansas City, Kan., which was reinsured by the Occidental Life, is dead. He was a special investigator for the Kansas insurance department at one time.

Mrs. Katherine M. Royer of River Forest, Ill., mother of James M. Royer, Chicago general agent Penn Mutual, and of Henry Royer, Chicago general agent Ohio State Life, died in her home at the age of 80. Funeral services were held there in St. Lukes church, Wednesday.

P. J. Dunn, former South Dakota commissioner, died this week at Rochester, Minn., where he had gone for

treatment. When Mr. Dunn left the commissioner's office, he became connected with Western Surety of Sioux Falls, going to Los Angeles as field supervisor. His health began to break and he went to Rochester a few weeks ago for treatment.

His daughter, who has been for some time in the movies, appeared in one of the Disney creations.

Prior to assuming political office in 1937, he was superintendent of agents in South Dakota for the Northwestern National Life.

Louis H. Zacher, father of President L. E. Zacher of Travelers, died at his home in Hartford. He had been a lithographer and had been associated with Bingham & Dodd and the National Folding Box Co. at New Haven.

NEWS OF THE COMPANIES

Cal.-Western States Marks Year 30 with "Sell-ebration"

California-Western States Life during December, its 30th anniversary month, is conducting a "Sell-ebration." The celebration climaxes three decades of progress, during which the assets have grown to more than \$56,000,000, and insurance in force to \$250,000,000.

Both individual and agency recognition will be features of the event. A perpetual trophy, awarded by the directors, will go to the agency doing the outstanding job in December. Individual plaques certifying membership in the anniversary club will recognize performances. A number of minor awards make it possible for every field man to qualify for some sort of recognition.

Four individual leaders during the month will receive a trip to the home office with all expenses paid.

Acme Hospital New Setup

ST. PAUL—Martin H. Imm, Minnesota state agent of the National Auto Owners of Gladstone, Mich., has been elected president of the Acme Hospital & Life, which has moved its offices from Minneapolis to St. Paul. R. M. Gesell, St. Paul bank president, is vice-president and Gerhardt Imm, secretary-treasurer. The new management plans to revise the hospital setup to include surgery coverage and death benefits and will also push industrial and term insurance more than in the past. A statewide agency system will be set up.

Omaha Luncheon for Patrick

OMAHA—Massachusetts Mutual Life is to be host at a luncheon Friday in Omaha honoring Ned G. Patrick, newly appointed general agent.

The home office will be represented by Arthur D. Lynn, assistant director of agencies. Guests will include prominent business and professional men in Omaha, the sales and clerical personnel of the agency and the general agents in Lincoln, Sioux City, Des Moines, Kansas City and Topeka.

Mr. Patrick for the past year has been general agent at Wheeling, W. Va.

Frey Named Assistant Editor of "The Pelican"

Charles W. Frey has been appointed assistant editor of the Mutual Benefit's monthly magazine, "The Pelican." He joined Mutual Benefit in July, 1939, as a member of the agency department and the editorial staff of "The Pelican." He is a graduate of the United States Naval Academy. Prior to joining the Mutual Benefit he worked for five years with the Standard Oil Company of New Jersey as a lubrication engineer and a technical writer. He has also studied house magazines and trade journalism at New York University.

"The Pelican" has been published continuously since 1902 and ranks as one of the oldest house magazines in the country.

Fort Worth Companies Merge

A merger to effect economies in management and home office operations has joined the Educators Mutual and Century Life of Fort Worth, Tex., to form

Named Supervisor for Commonwealth in Tenn.



HENRY TYLER

Commonwealth Life has appointed Henry Tyler supervisor for middle and east Tennessee with headquarters in the Warner building, Nashville. Mr. Tyler is a graduate of Vanderbilt University. For the past 15 years he has been one of the leading producers of Equitable Society. In recent years he has served as unit manager at Johnson City and Columbia, Tenn., and built a million-dollar unit with Equitable. He has been a member of the App-a-Week Club for many years. He served as president of the Johnson City Life Underwriters Association.



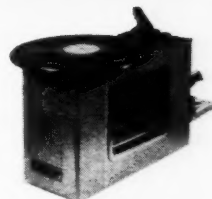
BIG REASONS WHY U. C. AGENTS ENJOY A REPUTATION FOR REALLY EFFICIENT SERVICE!



Through a Home Office supervised course, Union Central agents are trained in the technicalities of life insurance.



Agents are regularly brought together in Company conventions for instruction.



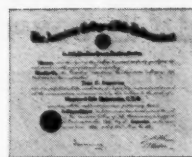
Talking slide films carry up-to-the-minute messages of instruction to agents throughout the country.



Latest developments in life insurance service are thoroughly covered each week in the Company's news magazine.



U. C. managers, trained by years of practical experience, give valuable training to agents under their direction.



U. C. pays fees and buys books for its agents who wish to secure the C. L. U. degree from The American College of Life Underwriters.

THE UNION CENTRAL LIFE INSURANCE COMPANY

Cincinnati, Ohio

WANTED ASSISTANT MANAGER

for Chicago office of large Eastern (ordinary) Life Insurance Company and established in Chicago for many years; applicant should be under 35, preferably under 30, with at least 2 or 3 years in the business with a good production record. Salary, bonus, and commission. Address M-44, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

the Century-Educators Life, with assets of \$481,327, capital and surplus of \$307,881 and insurance in force of nearly \$10,000,000. The business of each company will be handled separately. W. J. Laidlaw, president of both companies, announced. They have been under the same management, and under the new name the directors will be composed of members of both former boards.

New Mutual Life Trustees

Randolph Burgess has been elected a trustee of the Mutual Life of New York. He is vice-chairman of the National City Bank of New York and president of the New York Bankers Association. Leo Wolman, professor of economics Columbia University, was also elected a trustee.

SALES MEETS

Hearthstone Life Holds Parley

INDIANAPOLIS—Round table discussions marked the anniversary meeting of the Hearthstone Life here. Frank P. Manly, president, opened the gathering. Plans for selling special policies were discussed. Questions relating to problems of producers were answered. At the luncheon a talk on salesmanship was given by Philip Williams, vice-president Gasteria, Inc., a Hearthstone Life director. About 35 attended.

Farmers & Traders Parley

Farmers & Traders Life, Syracuse, N. Y., will hold its annual meeting in that city January 8-10. General agents meet on the eighth, qualified producers and general agents on the ninth with a meeting for summary and announcements on the tenth. This will be the first meeting under the new superintendent of agents, Martin J. Lammers.

Great-West Vancouver Rally

Great-West Life representatives, headed by Branch Manager A. F. Nation, attended an educational sales congress in Vancouver, B. C. The speakers were H. A. H. Baker, assistant general manager, and D. E. Kilgour, superintendent of agencies. W. A. Johnson, editor of the company's "Bulletin," and L. A. Cannon, assistant actuary, also attended.

Pacific National Parley Jan. 9-11

The Pacific National Life will hold its annual convention Jan. 9-11, at Salt Lake City. In order to prepare a program that will be of interest and help to all, President Carl R. Marcusen has sent out a questionnaire to poll the convention wants of his agents.

Plan Northwestern Mutual Parley

With the theme "Prepare for Leadership in 1941" plans for the Northwestern Mutual Life's annual eastern regional meeting in New York City Jan 3-4 are being completed. Clifford L. McMillen, New York general agent, is chairman of arrangements. Successful producers in the New England and Atlantic seaboard area will appear on the program, together with national sales leaders and company officials, the latter to include President M. J. Cleary and Grant L. Hill, director of agencies.

INDUSTRIAL

Baltimore Life Dividends

Baltimore Life announces that industrial policies in force on Jan. 20, 1941, if issued prior to 1932, will receive a cash dividend equal to from three to 15 weeks premiums, depending on the year of issue. These policies were not issued as participating policies but were declared participating by action of the company's directors a few years ago

when the present participating industrial policies were first issued.

This is the company's first declaration of cash dividends on industrial policies. It has for some years been paying mortality dividends on certain old policies, and such dividends will be continued in addition to the cash dividends.

Honor Eckhart on 25th

K. V. Eckhart, Fort Wayne, Ind., manager Western & Southern Life, was honored at a dinner in celebration of his 25th service anniversary. W. J. Williams, vice-president, and W. O. Burns, superintendent of agencies, represented the home office.

Industrial Insurers to Richmond

Richmond, Va., has been selected by the executive committee for the 32nd annual convention of the Industrial Insurers Conference, May 28-30, with the Hotel John Marshall as convention headquarters.

NEW YORK

J. A. BLAINEY'S NEW POST

James A. Blainey, formerly in the insurance business, who has taken up hotel promotion work, has become head of the promotion department of the Hotel Taft, Seventh avenue and 50th street, New York City. Mr. Blainey will endeavor to make the Hotel Taft an insurance hostelry.

PLAN BIG CHRISTMAS PARTY

The New York City Life Underwriters Association is giving a Christmas party at the Hotel Pennsylvania the afternoon and evening of Dec. 12, playing host to the agency office staffs. Master of ceremonies will be James F. Toomey, Connecticut Mutual. Vice-President Joseph C. Behan of Massa-

chusetts Mutual will make a humorous talk. Some amateur entertainers will be featured and the association will show moving pictures. Wives and the girls from the various offices will be guests.

SUPERVISORS FETE MANAGERS

The New York City Life Supervisors Association will hold its annual dinner Dec. 17 at the Hotel Martinique, in honor of the managers and general agents whose offices are included in its membership.

HARMELIN AGENCY WINS PLAQUE

In October, which was celebrated by the field force of the Columbian National Life in honor of President Francis P. Sears, the Arnold Harmelin agency of New York City won the President's Month plaque for producing more business than any other company agency.

Boston Supervisors Hear Dorr

At the Boston Life Supervisors Club November meeting, Glenn B. Dorr, Hartford general agent Northwestern Mutual Life, outlined the qualifications of a good supervisor.

Cashier's Job Important: Gastil

W. G. Gastil, general agent Connecticut General Life, addressed the Life Agency Cashiers Association of Los Angeles on "Importance of a Cashier's Work." He said the job of a cashier is the most difficult job in the life insurance business and the most important job in the agency. The cashier knows the policyholder better than the manager, and knows them better than the manager ever will know them. An important phase of the cashier's job is meeting the public, either through letter or personal contact—contact with the agents, contact with the policyholder or contact with other members of the staff.



Merry Christmas

TO the publishers and readers of The National Underwriter, the directors, officers and others associated with this company extend most friendly wishes for a Yul tide fashioned to fulfill their fairest fancies. And let all such reflect—as they may with pardonable pride—that Christmas has no fonder friend than life insurance.

LIFE INSURANCE COMPANY of VIRGINIA

BRADFORD H. WALKER, President

Home Office: RICHMOND



...and the
TOOLS
to do it!

Every trade has its tools. And they, to a large extent, determine the productivity of the craftsman who uses them. The excellence of CWSL's modern, easy-to-understand literature and "sales tools" has four times been certified in national competition.

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Streamlined
SALES AIDS**
enhance the agent's opportunity for progress and profit with—

**California
Western
States
Life
Insurance Company**
HOME OFFICE SACRAMENTO

LIFE AGENCY CHANGES

Rampmeier St. Paul Head of Ohio National Life

H. E. Rampmeier, a Travelers agent, has joined Ohio National Life as general agent in St. Paul. He is prominent in life underwriters' affairs, having been president of the St. Paul Life Underwriters, Inc. He has just been re-elected national committeeman for the St. Paul association and has been appointed a member of the committee of the National association to cooperate with attorneys. He was one of the organizers and first secretary of the Minnesota Life Underwriters Association.

Walls Goes to Los Angeles

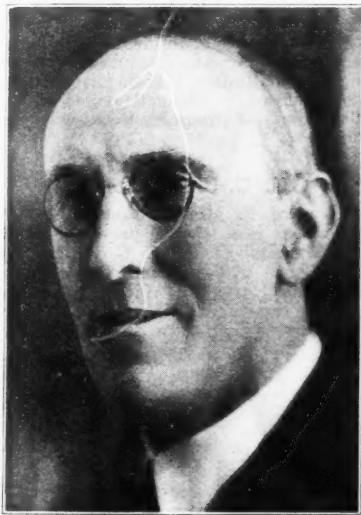
E. G. Walls, Jr., of the Zimmerman general agency of the Connecticut Mutual Life in Chicago has been transferred to the W. H. Siegmund agency in Los Angeles.

Mr. Walls has been with the Connecticut Mutual Life since his graduation from Dartmouth College in 1938, receiving his preliminary training at the home office. He became associated with the Zimmerman agency in 1939 as service manager and did personal production. Mr. Siegmund was also formerly associated with the Zimmerman agency, serving as its brokerage manager until last July when he was appointed general agent at Los Angeles.

J. H. Reed Life Unit Manager

James H. Reed has been appointed manager of the life department of the

Joins American United in Southern California



E. P. PERRINE

LOS ANGELES—E. P. Perrine has been appointed agency supervisor for southern California by the American United Life of Indianapolis, succeeding W. E. Mullineaux, who resigned to enter personal production.

Mr. Perrine has been prominent in life insurance in Los Angeles for more than a decade, having been at one time executive secretary of the Los Angeles Life Underwriters Association and with agencies here in supervisory and training capacities.

For the past eight months he has been lecturing on life insurance at the University of Southern California and the University of California at Los Angeles, to classes of teachers. These lectures form a part of the program of the Institute of Life Insurance looking to getting information on life insurance included in the curriculum of the secondary schools.

Fagan-Newell-McQueen Agency in Racine, Wis., which is general agent of Lincoln National Life. Mr. Reed is a life-long resident of Racine. He entered life insurance four years ago with Equitable Society after having been in accounting work for more than 10 years.

Appoints Syracuse Agency

McLusky & Haylor have been appointed general agents of the United States Life for Syracuse and surrounding territory. The new agency is located at 332 South Warren street, Syracuse. It was established in 1928 by James McLusky, Jr., and B. E. Haylor. Edward Durst will assist in the organization of the accident, health and hospitalization department and Richard Arnold will aid in developing the life department.

Carlton Joins West Coast Life

The West Coast Life has appointed S. B. Carlton manager in Seattle. He is well known in the northwest and served for about 12 years as manager in Seattle of the Phoenix Mutual Life. He has been active in association work. He resigned early this year.

Van Leumen Takes Denver Post

V. V. Van Leumen, former New York Life agency director in Boise, Ida., and Butte, Mont., has been appointed to succeed P. L. Corbin as agency director for the New York Life in Denver. Mr. Corbin, who has held the Denver post for nearly 15 years and who is a long time leader in life underwriters association work, resigned unexpectedly.

Farmers & Bankers Names Richert

W. J. Richert has been named Denver general agent for the Farmers & Bankers Life. The company formerly operated in the mountain field and is now again reentering it.

Annett Made Victoria Manager

The Confederation Life has appointed C. C. Annett, who has been manager at Port Arthur, Ont., as its new Victoria and Vancouver Island, B. C., branch manager. He succeeds F. Lewin, recently retired on pension.

Joseph Zabeler has been named district manager for Manitowoc, Wis., by North American Life & Casualty. He has been with the company since 1934, and a member of its App-a-Week Club since that time.

MANAGERS

Chapman at Jackson, Miss.

L. W. S. Chapman, Sales Research Bureau, addressed the General Agents & Managers Association of Jackson, Miss., on "The Hub of the Wheel."

Officers of the association, recently organized, are: E. H. Hix, president; J. N. McLean, vice-president; A. J. Sauter, vice-president, and W. C. Hester, secretary-treasurer.

Farewell for J. B. Macken

Sixty managers and supervisors attended a farewell cocktail party for J. B. Macken, former Mutual Life of New York manager in Detroit and former director of the Associated Life General Agents & Managers. Donald Machum, Manufacturers Life, president of the managers association, was host.

At a meeting of the association following the farewell party, tribute was paid by President Machum and others to Mr. Macken's work for the association during his seven years in Detroit. Mr. Macken responded briefly. He leaves

shortly to become Chicago manager of his company.

Joint Parley at Starved Rock

The Peoria and Rockford, Ill., agencies of the Connecticut Mutual Life held a joint meeting at Starved Rock State Park Lodge. For a number of years General Agents Chester T. Wardwell of Peoria and Francis P. Beiriger of Rockford have been bringing their organizations together for exchange of ideas. A timely discussion on financial planning for the drafter was very instructive.

William L. Camp, editor of "Con Mu Topics," from the home office gave some suggestions on the use of company literature.

Discuss Managers' Responsibility

A. C. Palmer, director of the educational division R. & R. Service, spoke on "The Manager's Responsibility to His Agent" at the Dec. 5 meeting of the Life Insurance Managers Club of Dallas.

Approximately 75 percent of all life insurance policyholders' deaths in 1939 were under policies owned for more than 10 years. Thirty-nine percent of life insurance death claims were on policies which had been in force more than 20 years, while 13 percent had been in force more than 30 years.

Agree on Redraft of Mo. License Bill After Hearing

JEFFERSON CITY, MO. — The hearing conducted by the Missouri department on the proposed agents' licensing bill was attended by a representative group, in spite of a snowstorm. Represented were the St. Louis Board of Underwriters, Kansas City Insurance Agents Association, Missouri associations of both life underwriters and insurance agents, and the St. Louis real estate brokers group. Charles Harvey, assistant counsel for the department, presided, and agreed to redraft the proposed bill on the basis of conclusions reached at the hearing. This redraft will be sent those attending the hearing, after which each group is scheduled to take up and discuss the bill. Mr. Harvey then will act as a clearing house for suggestions of all the groups.

It was generally agreed that the proposed bill is being handled with an intelligent approach, well in advance of the meeting of the legislature in January, with all groups threshing out differences before the bill goes to the law-making body, rather than after.

H. D. Estep, who had represented the Eureka-Maryland Assurance in Pittsburgh for 16 years, died there.

yes!

★ OUR A & H RIDER ON LIFE POLICIES PAYS TOP BENEFITS WITHOUT HOUSE CONFINEMENT!

Occidental Life
LOS ANGELES

V. H. JENKINS, VICE PRESIDENT

W ←

Horace Greeley was right

AS SEEN FROM CHICAGO

ERNEST PALMER, JR., IN NEW WORK

Ernest Palmer, Jr., whose father until recently was insurance director of Illinois, has entered the law firm of Russell & Bridewell, 2017 Field building, Chicago, and the name of the firm is changed to Russell, Bridewell & Palmer.

Mr. Palmer for the past several months has been in the claim department of Car & General in Chicago. For one year he was connected with the Illinois industrial commission and he was with the Illinois insurance department a year during the period when the new insurance code was under consideration. He graduated from Northwestern University law school and was admitted to the bar this fall. His undergraduate work was at Stanford and Amherst.

Horace Russell of the firm has been located in Chicago for the past two or three years as general counsel for the United States Savings & Loan League. He was formerly in Atlanta and then became general counsel for the Home Owners Loan Corporation and Federal Home Loan Bank Board. He was instrumental in organizing Southern Fire & Marine and Southern Life of Atlanta and was vice-president and general counsel of those companies. He is now vice-president and general counsel of Traders Mutual of Chicago, a fire company that is located in the office of Central Life of Illinois.

David Bridewell of the firm was Mr. Russell's assistant in Washington.

JARRETT ASSISTS GOTTSCHALL

Edwin S. Jarrett has been assigned by Equitable Society from the home office agency department to the western division office in Chicago, and becomes office manager and assistant to W. L. Gottschall, director of agencies. Mr. Jarrett has been connected with Equitable Society for eight years. The annual football campaign of the Chicago agencies is in progress and will wind up Dec. 11 at the annual meeting and dinner of the Chicago assistant managers. K. M. Sacks, agency manager, chairman Central Managers Association of Equitable, is in charge.

SWANSON IN NEW QUARTERS

The H. G. Swanson general agency of New England Mutual Life in Chicago has moved into fine new quarters on the 33rd floor of the Board of Trade building. These were designed by an office architect for greater efficiency. Open house was held there Tuesday, doughnuts and cider being served. A feature was the presentation of five portable

radios to selected guests, an innovation in Chicago office openings. The large agency room has been eliminated and there are 10 private offices, with two men to a room, and a small agency room holding several men. The Swanson agency has been located at the same address ever since it was opened 10 years ago. Mr. Swanson has built it to one of the company's leading agencies.

WIESE AHEAD 70 PERCENT

The Raymond J. Wiese agency for the Northwestern National Life in Chicago finished November with an unbroken string of plus months under Mr. Wiese's management. For the first 11 months the agency shows a 70 percent gain in paid volume, ranking third among all company agencies.

COAST

Issues Rulings on Contracts of Chapter 9 Companies

SAN FRANCISCO—Chapter 9 life and disability companies operating in California may not issue single premium type policies, according to an opinion by Neil Cunningham, deputy attorney-general. Such a practice would result in endangering the financial condition of the insurer and eventually would create a hazardous condition justifying conservatorship or liquidation proceedings, he said.

Ruling on "Limitations"

Replying to a query from Commissioner Caminetti regarding "limitations" and "limitations and risks not assumed" policy forms used by most chapter 9 companies, Mr. Cunningham advised that "any provision to the effect that the insurer shall not be liable for specific causes of death other than those mentioned in provision 2 must be embodied in a rider signed by the insured and a copy thereof attached to the policy." Provision 2 refers to incontestability and is required to be made a part of these policies by law.

Announce Colo. Appointee Soon

DENVER—The state civil service commission announces that the papers in the examinations for insurance commissioner have been graded and that the

name of the permanent appointee probably will be announced to the applicants by Dec. 10. A 10-day appeal period will be allowed to elapse before the commission's selection is made public.

Housing Project in Special Session

SAN FRANCISCO—In an effort to speed through the needed legislation to allow a life company to invest large sums in low cost housing projects in California, Governor Olson included the bill recently drafted in the call for a special session of the legislature Dec. 2. Earlier this year the measure failed to pass when it was presented at a special session because the governor failed to include it in the call. If passed it is understood that Governor Olson will sign the bill immediately and the Metropolitan Life will proceed with its plans to construct two big projects in California.

Lyon Heads San Francisco Group

SAN FRANCISCO—H. N. Lyon, Fidelity Mutual Life, was elected chairman of the San Francisco Quarter Million Round Table at the annual meeting. He succeeds G. H. Bowman, New York Life, who will represent the Los Angeles and San Francisco quarter million groups at the annual meeting of the California State Association of Life Underwriters. H. E. Anderson, New York Life, was elected vice-chairman; and Gordon Coryell, Mutual Life, secretary-treasurer.

By-laws were changed, continuing minimum production for qualification at \$250,000, but limiting the maximum to \$999,000.

Agent's Authority at Issue

A question as to authority of an agent came before the Maryland circuit court of Baltimore county in Coale et al. vs. Provident Mutual.

The plaintiffs' declaration set out that an agreement had been entered into between them and the beneficiary of a policy issued by the Provident Mutual whereby they were to receive the proceeds, pay the expenses of the insured and turn over to the beneficiary not less than a stipulated amount. The general agent had advised the agreement and said he would send the proceeds to the plaintiffs. Instead he sent them to the beneficiary. The Provident Mutual demurred to the declaration since on the face it was evident that the acts of the agent were not within the scope of his authority and not binding on the company. The higher court sustains the demurrer.

C. L. U.

Zimmerman Chicago Speaker

C. J. Zimmerman, Chicago general agent Connecticut Mutual Life and immediate past president National Association of Life Underwriters, talked on the future and advantages of the C.L.U. movement at a meeting of the Chicago chapter. He said the people need more of the C.L.U. type of service and many are demanding it. Factors such as the TNEC investigation of life insurance are a challenge to the C.L.U., he said. J. D. Moynahan, Metropolitan, chapter president, presided. A number of Northwestern University professors were introduced and D. M. Phipps, Mutual Benefit, discussed changes which may be made in the C.L.U. courses conducted at the downtown campus of N. U. It is possible the comprehensive course showing the application of the elements learned in the other parts of the C.L.U. course to life situations and needs will be introduced as Part 5. Two new sections will open this month, one Dec. 17 being on salesmanship and the other Dec. 20 on commercial laws, wills and estates. Both are review sections.

Study Sessions in Memphis

At the first of a series of weekly study meetings held by the Memphis, Tenn., C. L. U. chapter, Charles Moore, Connecticut Mutual, chairman of the study group, led a discussion of "Estate Analysis." Others participating were W. T. Buckner, W. P. Brown, C. R. Welman and Brown Blalock.

The C. L. U. course at Southwestern University has an enrollment of 25.

Give Part V in Buffalo

A. L. Beck, president Buffalo C.L.U., announces that Part V of the C.L.U. course will begin at Millard Fillmore College of the University of Buffalo late in January.

A round table discussion on sales technique will feature a luncheon meeting of the Buffalo C.L.U. chapter Dec. 12. Clifford S. Bennett will lead the discussion. Arthur L. Beck will preside.

New C. L. U. Unit in Toledo

Howard F. Moore, Bankers Life of Iowa, has been elected president of the newly organized Toledo C. L. U. chapter. Roy A. Wesselman is vice-president and Harry M. Wieting, Jr., Prudential, secretary.

Honor George C. Fanning on His 25th Anniversary

More than 150 associates and friends will attend a dinner Dec. 11 in honor of George C. Fanning, Chicago Metropolitan Life manager, who is celebrating his 25th service anniversary.

He will be presented with a diamond medal by Austin T. Schussler, superintendent of agencies Great Lakes territory, who will be the principal speaker.

Among the guests who will be present will be John E. Cassidy, Illinois, attorney-general; Congressman Edward Kelly, H. F. Kelly, Michigan secretary of state; M. L. Fitch, president Chicago Real Estate Board; Judge C. J. Harrington, Roy L. Davis, former assistant Illinois insurance director, and other civic leaders and business men.



G. C. Fanning

THE MANUFACTURERS LIFE

THIS Company is known as a firmly established and financially sound institution. Its representatives are chosen from men of high calibre.

For fifty-three years these two factors have combined to bring about a consistent growth in business.

INSURANCE IN FORCE, 590 MILLION DOLLARS
(Including Deferred Annuities)
ASSETS, 177½ MILLION DOLLARS

INSURANCE COMPANY
HEAD OFFICE
TORONTO, CANADA
Established 1867

NEWS OF LIFE ASSOCIATIONS

Ponder Inflation, Insurance and Draft at N. D. Meet

An adaptation of the question and answer type of program enlivened the recent monthly meeting of the North Dakota Life Underwriters Association at Fargo. A few days prior to the meeting, a questionnaire containing 10 questions pertaining to life insurance was sent to each member. The answers were mailed back and the questions and answers were discussed at the meeting. Here are some of the questions and some samples of the answers.

Do you discuss politics with your clients? The answer was almost unanimously no. If so, do you always agree with him even if it hurts to do so? If not, why not?

Some of the answers were: That's not what I get paid for. No, but try to do it pleasantly. Usually tell them I don't feel qualified to discuss the issue. Usually lose both argument and the sale. Election is over. Never, unless he approaches the subject; then the wise way is to moderately push your side of it. Never be wishy-washy. No one respects a white liver.

Do you think the immediate future of life insurance is bright or dark? Some of the answers were: Increased national income from defense spending will give more dollars to the public. The need is just as great, and I believe conditions are not too dark with stimulated business outlook. Bright, because men will still die at the wrong time and their economic value will be even more necessary as and if harder times come. Bright, because the public knows its stability. Publicity on government insurance makes everyone insurance minded. Bright, because of the war clouds. Bright, if you work, dark if you loaf.

Standardized Service Approach

Nine out of 17 in answer to the question whether the agent has an established service approach which is used in getting interviews, replied that they had no standard.

Some of the replies to the question: How do you answer the question of inflation were: Mr. Prospect, if I could give you the answer I wouldn't be selling insurance; however, partly inflated dollars are paid as premiums. You die, your future income is deflated to zero.

Life insurance premiums being paid and received in even dollars will automatically liquidate inflation.

Tell me when you are going to die and I will tell you whether we will pay you with inflated or deflated dollars. If your life is a normal span you will get the average of cheap and dear dollars.

Need more insurance dollars to do same job. The greater the inflation the more life insurance will be needed.

By stating simply and emphatically that premium dollars are always cheap dollars when compared with claim dollars.

If inflation is just around the corner, prospect is depositing cheap dollar and may get back high value dollar.

Insurance and Draft

Another question was: If your prospect is subject to draft do you encourage him to take the maximum or minimum of government insurance?

Some of the answers were: Maximum, it's the only way that I can consistently make him believe that I believe in insurance.

I don't mention this, but if he does, I recommend it but never to the disadvantage of my product.

Maximum, good insurance at low cost.

I advise him to take all he can pay for.

Maximum, better to have him thinking in large amounts.

I advise him to take my insurance. He may never reach the army. He may die; yes, buy now.

Ten of 18 replied that they are writing more business now than a year ago. Eight are writing less and they admitted that the reason is less effort and laziness.

Indianapolis Offers Good Congress Card

INDIANAPOLIS—An attendance of 500 is expected for the sales congress here Dec. 7, sponsored by the Indianapolis Association of Life Underwriters, Indianapolis General Agents & Managers Association, Indianapolis C. L. U. chapter, Indiana Association of Life Underwriters and Association of Indiana Legal Reserve Life Insurance Companies. Horace E. Storer, Bankers Life, is general chairman.

The congress theme is "The Life Underwriter Serves the People's Needs—Today—Tomorrow—Always!" O. D. Pritchard, Union Central, president Indianapolis association, will welcome the delegates. Morning speakers include L. O. Schriver, general agent Aetna Life, Peoria, Ill., past president National association, on "Rededication"; H. K. Nickell, Connecticut General Life, Chicago, Million Dollar Round Table, "Doing the Job Today," and J. S. Gantz, general agent Pacific Mutual Life, Cincinnati, "Selling the Way Men Buy."

H. L. Rogers, Equitable Society, president Indiana association, will preside at the afternoon session. Dr. J. E. Hedges, assistant professor of insurance Indiana University school of business, will present a survey, "A Round Look at Life Insurance." A. H. Kahler, second vice-president and superintendent of agencies

Indianapolis Life, will speak on "The Big Idea—Serve the People."

South Dakota Association Has Two-Day Sales Congress

HURON, S. D.—The South Dakota Association of Life Underwriters held a two-day sales congress here. While attendance was cut very much by reason of slippery roads and uncertain weather conditions, those in attendance, numbering 35, considered it was the best of its kind ever held. A. S. Mitchell, Guardian Life, Brookings, president, recently reelected to succeed himself as senator from Brookings county in the legislature, arranged the program and presided at the meeting. He was assisted by J. E. Walseth, Equitable Society, Watertown, secretary-treasurer of the association.

The congress was called to order by Mr. Mitchell and A. W. Palm, district manager State Farm Life, Huron, was master of ceremonies. T. C. Murphy, Travelers, Watertown, responded to the address of welcome, and Guy Hanson, Equitable Society, Mitchell, S. D., talked on the value of contests and the value of membership in the App-a-Week Club.

Four panel discussions were led by Mathew Thompson, Omaha, on pre-approach; Mr. Hanson on how to meet a prospect; Earl Flanagan, Travelers, Huron, on presentation, and Agency Instructor Koehn, New York Life, Sioux Falls, on closing.

H. J. Gilbertson, agency manager Penn Mutual, Fargo, N. D., brought greetings from the North Dakota association and Jacob Wickre, Equitable Society, Huron, talked on retirement income. This was followed by a general discussion of all forms of insurance contracts convertible to income and annuities.

George Sheeks, general agent Minnesota Mutual, Huron, vice-president of

The WALRUS



Thousands of people in the life insurance business know Gerard S. Nollen, President of the Bankers Life Company. But how many know that his middle name is Scholte? Or how he got that name?

Louis Adamic tells how in his current best seller, "From Many Lands."

It is the fascinating story of the founding of Pella, Iowa, thriving community of Hollanders some 50 miles southeast of Iowa's capitol and Bankers Life Home Office City, Des Moines.

To a large tract of rich, virgin, prairie land, Dominie Hendrick Peter Scholte led a band of 600 hardy men, women, and children from his native Holland in 1847. Virtually driven from their homeland by persecution for their belief in separation of church and state, these "Separatists" sought — and found — both religious and economic freedom in the new country.

Dominie Scholte, prime mover throughout the venture, held his group together in those early days in both good times and bad. He became a man of consequence in Iowa politics, helped nominate and became a personal friend of Abraham Lincoln. Adamic cites his friendship as of such depth that Scholte learning of the assassination of Lincoln, suffered a heart attack from which he never recovered and which caused his death a few years later.

Hendrick Peter Scholte's daughter, Sarah, married John Nollen, Pella banker.

Each of the five Nollen children — three sons, two daughters — are linked both by blood and by middle name to their maternal grandfather, the Dominie. Gerard Scholte Nollen is President of the Bankers Life Company, Henry Scholte Nollen is Chairman of the Board of the Equitable Life Des Moines, and John Scholte Nollen is President Emeritus of Grinnell College in Iowa. Hannah Scholte Nollen and Sarah Scholte Nollen have devoted their lives to educational work in Des Moines.

SELECTIVE SERVICE

That is a thought perhaps uppermost in the minds of every American citizen at this particular time. Although a new thought with respect to the significance of its meaning so indelibly stamped on the minds of the American public today, it is one that has been forever present with this fine old southern institution during its 40 years of operation.

Atlantic's representatives are carefully selected and adequately equipped with outstanding material for rendering better service to their clients. The Sales Promotional Material being used daily by Atlantic representatives was given an Award of Excellence by the judges at the recent Annual Meeting of the Life Advertisers Association in Washington, D. C.

If you are interested and can qualify for an Agency in Maryland, West Virginia, North Carolina or Tennessee, write to Robt. V. Hatcher, Vice President, for further information.

Atlantic Life Insurance Company

Richmond, Virginia

FORTIETH ANNIVERSARY
1900 - 1940

BANKERS LIFE
DES MOINES
Established 1876
COMPANY

the association, presided at the banquet and Mr. Palm was toastmaster. Rev. William R. Peterson, pastor of the Methodist Church, Watertown, spoke on "Selling Security to America." Two insurance films, "The American Portrait" and "Yours Truly, Ed Graham," were shown.

On the second day, Commissioner Burt explained the functions of the department, followed by a general discussion. Pending and proposed legislation was discussed, with President Mitchell presiding. Mr. Mitchell closed the convention after giving the highlights of the National convention in Philadelphia.

Program for Run of Mine Agent Staged in Los Angeles

LOS ANGELES—Ideas for the "run-of-mine" agent featured the breakfast meeting of the Life Underwriters Association of Los Angeles, providing him with methods he can use in selling the average client. There was no reference to inheritance and income taxes, extensive programming and other phases of the selling of life insurance that concern the more advanced underwriters.

Vice-President W. M. Rothaermel, Pacific Mutual Life, spoke on "Success in the Field Today," and Attorney Hal Crouch told "How a Lawyer Looks on Life Insurance."

President Henry E. Belden announced that the Southern California caravan would make its first journey to San Diego on January 13-14, and that the legislative dinner will be held Dec. 17.

W. H. Siegmund, general agent Connecticut Mutual, as membership committee chairman, reported a gain of 43 new members with a total of 438.

Mr. Crouch displayed his 20 policies worth \$72,000 today and \$150,000 when they mature. He then displayed a sheaf of certificates for stock in the leading corporations of the country and said that on them he had lost money, while on his life insurance policies he had made a profit.

One policy will pay him \$62.50 per month for life; another will see that his wife will eat; another that his mother will eat; and a third that his daughter will have an education.

Consider Applicants for Field Post

The committee of the National Association of Life Underwriters which was named to select a field secretary is weighing applications for the office, it has been announced by Chairman C. J. Zimmerman, Chicago general agent Con-

necticut Mutual Life and past national president.

The field secretary, Mr. Zimmerman said, will have his headquarters at the National association offices in New York but will spend much of his time among local and state association groups upon invitation to discuss with them the best means for strengthening their organizations and for broadening their services. He will also be made available to local and state organizations to assist in legislative matters and for setting up the necessary machinery for meeting legislative problems.

Coffeyville, Kan.—A round table discussion was held at the monthly meeting. President Lyle J. Dunwoody, Prudential, was in charge.

Dodge City, Kan.—The charter meeting has been postponed to Jan. 11 at the request of J. E. Conklin of Hutchinson, Kansas president. Bert A. Hedges, Business Men's Assurance, Wichita, chairman of the extension committee of the state association, will speak Dec. 7.

Grand Rapids, Mich.—E. P. Balkema, state manager Northwestern National, Detroit, and president of the Michigan association, spoke on "Security—Insecurity." The association staged a special reception for the state president because he was born in Grandville, Grand Rapids suburb, and was in the business here for many years before going to Detroit.

Saginaw, Mich.—H. B. Thompson, Detroit, secretary-treasurer and counsel of the Michigan association, and State Representative W. F. Remer, spoke at the November stag party, with 75 attending.

Utah—At a meeting of officers and directors in Ogden, Frank Mozley, Beneficial Life, immediate past president of the Salt Lake association, was chosen first vice-president, succeeding K. K. Krogue, Business Men's Assurance, transferred to Spokane as branch manager. Commissioner Neslen spoke on "Current Events."

A legislative committee was named with Mr. Mozley as chairman. President C. R. Marcussen of the Pacific National Life and G. J. Cannon, executive vice-president Beneficial Life, will meet with the committee from time to time in an advisory capacity.

Wilmington, Del.—Grant Taggart, Cowley, Wyo., secretary of the National association, spoke at a luncheon meeting on "Sales Work Habits."

Nashville, Tenn.—Cecil Woods, president Volunteer State Life, spoke Nov. 29. He was formerly with the National Life & Accident of Nashville.

Memphis, Tenn.—An exhaustive study of the federal soldiers and sailors' relief act featured last week's meeting. Questions about the act were asked by Ben Glasgow and answers were given by Clyde Wellman and Leslie Fortune.

Ottawa, Ont.—G. D. Finlayson, Dominion superintendent of insurance, said that "the very essence of democracy is

embodied in life insurance." With democracy giving the individual the right to do as he pleases, the appeal to prospects, he said, is not that of fear of the consequences if they do not buy, but an appeal to the higher consciences of free agents.

Northern New Jersey—Dr. Frank Kingdon of the University of Newark will speak Dec. 17 in Newark. Each member has been requested to bring some small gift which will be distributed among three institutions for children in Newark.

Central Massachusetts—This organization, which meets at Worcester, has added 100 new members this year. W. H. Molet, manager Metropolitan Life at Worcester, is president. The last meeting was addressed by Jack Lacy, head of Lacy Institute, who trains salesmen and sales executives.

Springfield, Mass.—James A. Giffin, assistant agency manager Phoenix Mutual Life, spoke on "The Power of Suggestion."

Lincoln, Neb.—Bert A. Hedges, Wichita manager, Business Men's Assurance, spoke on "Social Security in the American Manner."

Toronto—As the war, in which Canada is involved, progresses, there is every likelihood that premium rates for life insurance in the Dominion will increase due to declining interest rates. J. A. McAllister, superintendent of Canadian agencies for the Sun Life, declared. He gave eight specific reasons why life insurance should be bought in wartime.

C. W. Mealing, North American Life, has been elected president, succeeding James Hancock, Prudential; G. W. Adams and S. M. Wickens, London Life, vice-presidents; A. J. Elden, London Life, treasurer, and James Westaway, Aetna Life, secretary.

Birmingham, Ala.—Senator Bankhead of Alabama, C. Vivian Anderson, Provident Mutual, Cincinnati, and F. P. Samford, president of Liberty National Life, will speak at the Dec. 12 meeting, which is advertised as a "Ten 'til 2 and Luncheon Too" affair. It is planned to have all agents in the city present, whether members of the association or not.

San Francisco—The annual Christmas party and luncheon will be held Dec. 20. L. E. Wilson, public relations director Y. M. C. A., will speak on "The Force of Ideas." G. F. McKenna, manager Continental Assurance, is program chairman, with L. J. Lynch, general agent John Hancock Mutual Life, as chairman of the party, assisted by N. J. Nelson, manager Reliance Life.

Lansing, Mich.—At a ladies night program C. W. Otto, secretary Lansing Chamber of Commerce, spoke. Feats of magic were staged by Ernest Shassberger, Aetna Life agent. "American Portrait" was presented.

Peoria, Ill.—As long as man perpetuates himself to the institution called the family, as long as he is surrounded by hazards which he cannot control and

These C. L. U. Books Should Be In Your Reference Library

The following books have been suggested by the American College of Life Underwriters for study in preparation for the C. L. U. examinations.

LAW, TRUSTS AND TAXES

Manual of Commercial Law, Spencer	\$2.67
Principles of Business Law, Dillavou and Howard	5.00
Business Law, Conyton & Bergh	3.50
The Life Insurance Contract, Horne & Mansfield	3.00
Wills, Stephenson	3.00
Living Trusts—Including Life Insurance Trusts, Stephenson	4.00

FINANCE

Financial Organization and Management, Gerstenberg ..	\$5.00
Corporation Finance, Hoagland	4.00
Money and Banking, Bradford	3.75
Money and Banking, Prather ..	4.00
Principles of Investment, Kirshman	5.00
Investments, Jordan	4.00
Investment Principles and Practices, Badger and Guthman	6.00

A 10 percent discount is allowed when 10 or more C. L. U. texts are ordered at one time. The above mentioned books are available from the

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CENTRAL LIFE ASSURANCE SOCIETY (MUTUAL)

Home Office DES MOINES

as long as he breathes the breath of liberty and strives for personal freedom, there will be a future for life insurance. G. F. Ream, assistant superintendent of agencies Mutual Benefit Life, declared. He was introduced by Norman E. Andersen, Peoria general agent Mutual Benefit.

"Private property, which is necessary to every man's welfare and the fulfillment of his hopes, presents five major problems—creation of the property, its preservation, transfer to someone else, the management after transfer, and fifth, the final distribution." No other institution can provide these demands that man makes other than life insurance.

Toledo—Grant L. Hill, director of agencies Northwestern Mutual Life, discussed "The Problem Agents' Problem."

Kalamazoo, Mich.—R. A. Hayward, president Kalamazoo Vegetable Parchment Company, discussed "Present and Future Economic Trends." Mr. Hayward warned particularly against the dangers of inflation, declaring that the heaviest possible taxes are infinitely preferable to an inflationary policy. He voiced opinion the public at present has as great confidence in insurance companies as in the government itself.

Madison, Wis.—E. H. Mueller, general agent Pacific Mutual Life and Provident Life & Accident, speaking at the monthly "clinic," advised agents to tell their story in the language of the buyer. With a big black pencil he demonstrated "How I Would Say It." Men are interested in saving money, and need to be told that when they buy life insurance they win, whether they live or die, he said.

C. W. Tomlinson, chairman educational committee, announced that the faculty members for the weekly classes to be held at the Madison Vocational School, beginning Jan. 6, will be E. E. Wheeler, James Neis and Mr. Tomlinson.

Corpus Christi, Tex.—Paul Englehardt, Connecticut Mutual Life, has been elected a director to succeed C. W. O'Melveny, also of the Connecticut Mutual, resigned. W. R. Neely, National Life & Accident, has been appointed chairman of the membership committee. Henry Coutret, Jefferson Standard Life, has been elected national committeeman.

Dallas—An educational program to inform the public about life insurance and to add to the technical training of members has been undertaken by a newly appointed educational committee, headed by Lyman E. King, Minnesota Mutual Life.

J. A. Budinger, vice-president and actuary Kansas City Life, will speak Dec. 12.

Chattanooga, Tenn.—A. Howard Blanton, vice-president Volunteer State Life, spoke on "Ethics." He credited the National association with contributing notably to the improvement of the ethical side of life insurance.

Portland, Ore.—To combat the "defeatist" attitude many agents have on account of the war, politics, etc., Douglas Nicol, New York Life, arranged for five-minute talks from four young producers who have been in the business a comparatively short time. These young men are producing a good volume of business, and they told how they are doing it.

Beaver Valley, Pa.—Barney Lipka, superintendent Prudential No. 1 Pittsburgh, spoke at a meeting at Rochester, Pa.

New Orleans—The annual sales congress will be held Jan. 24. Harry T. Wright, Chicago, president National association, will be the first speaker on the program. There will be four other speakers yet to be announced. John S. Watters, Occidental Life of California, is chairman of the congress.

Can Purchase the Securities

Attorney-general Cassidy of Illinois has held that insurance companies may legally invest in notes or bonds of the Catholic Bishop of Chicago "so long as he is solvent." The Catholic Bishop of Chicago was made a corporation by a special act of the legislature in 1861. It deals entirely with property belonging to the archbishop of Chicago. The attorney-general held there was nothing in the state insurance code restricting insurance company investments in corporation securities to commercial corporations.

J. M. Utter, district manager Equitable of Iowa, has been elected president of the Mutual Business Club of Seattle.

Leon Henderson of SEC on "Information Please"

NEW YORK—Commissioner Leon Henderson of the Securities & Exchange Commission, director of the SEC insurance study and one of the chief inquisitors at the TNEC hearings on life insurance, was on radio's "Information Please" program Friday and showed himself considerably less facile at answering questions than asking them. He knew what positions Woodrow Wilson and Herbert Hoover held at the time they were first nominated for the presidency and also the ins and outs of the Dred Scott decision but otherwise left the responses in the experienced hands of the three regular experts, Adams, Kieran and Levant. Possibly Oscar Levant has a relative who was grilled by the TNEC, for he was pretty unmerciful when Henderson failed on a musical question. Henderson actually did no worse than most guests on the program but he disappointed those who had based their expectations on his rough and ready banter in the TNEC hearings.

Insurance Interests Unite on Neb. Legislative Program

LINCOLN, NEB.—For the first time insurance interests of the state have united in preparing and backing a legislative program. However, to avoid provoking any suspicions that their motives are based on self-interest, members of the legislative committees will function only as advisers when their opinions are asked and when proposals are before committees. The nucleus of the program will be the dozen or more bills that were approved in committee at the 1939 session but which were lost in the legislative jam at the end of the session.

One of these, regarded as of prime importance, forbade the licensing of assessment companies of all kinds, except farm mutuals. Another would restrict burial associations to writing only limited burial policies, and bar them from writing life insurance because of inadequate requirements of the law. Another would bring mail order and radio broadcasting insurers under Nebraska court jurisdiction by making the insurance director agent for service. Still another aimed to require mutual companies to possess adequate reserves.

Fete Rutherford in Two Cities

James E. Rutherford was feted at a luncheon by the Des Moines General Agents & Managers Club on his transfer from Des Moines to Seattle as Penn Mutual general agent. He was presented a plaque signed by the members. Presentation was made by Harry Haskins, Sr., John Hancock Mutual, president of the club. Mr. Rutherford is a past president of that club and of the Iowa State Life Underwriters Association. He is now national trustee.

The previous evening the announcement of the change was made to the Penn Mutual agency staff at Des Moines at a meeting by Wallis Boileau, Jr., vice-president of Penn Mutual. The new Des Moines general agent, E. P. Connolly of St. Louis, was presented.

Upon assuming his new duties at Seattle, Mr. Rutherford was honored at a banquet at which William J. Nenner, assistant vice-president of Penn Mutual, acted as toastmaster. Speakers included Leslie Duncan of Spokane and Horace Person of Portland, Ore., Penn Mutual general agents.

Just the thing to convince hard boiled prospects—"24 Men in 24 Years." Order 8 booklets for \$1 from National Underwriter.



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SEASON'S GREETINGS



We hope that you, like ourselves, have enjoyed a prosperous and successful year, and we wish you a prosperous and successful year, and we wish you a Merry Christmas, and continued success in the New Year.



AMERICAN NATIONAL INSURANCE COMPANY

GALVESTON, TEXAS... W. L. MOODY, JR., PRESIDENT

Seeing Plenty of People and Selling Needs Gets Business

When financial misfortune struck W. B. Monroe, Union Central Life, New Orleans, life member of the Million Dollar Round Table, in 1930, the \$1,500 cash value on his life insurance proved his salvation, he told the Dallas Association of Life Underwriters. Although he didn't know about the different kinds of policies, he did know plenty about "what they could do for a fellow" and so he started out selling, telling his relatives, friends and everybody about the benefits derived from life insurance.

In analyzing why he wasn't selling more life insurance, Mr. Monroe took an inventory of himself. He found that he knew his product, was familiar with the various policies and their applications and he had developed a sales talk. Although he had never had a lack of prospects or prospecting methods, he decided that his trouble was that he did not see enough people. "If I keep all of these prospects' names in my head or on cards carefully filed away and don't see these people, they won't know they are my prospects," he declared. Mr. Monroe decided the cure for this situation was to circularize prospects because it would give him an incentive to call when he received inquiries. "There is an army of potential future policyholders who have been sold right up to the closing point but they are waiting for you and for me to see them and tell them about our contracts," he stated.

Ability to Pay Prime Factor

In qualifying prospects, Mr. Monroe said the ability to pay premiums is the prime essential, as the uninsurables can be sold annuities or insurance on their wives and children.

Mr. Monroe said he does not sell life insurance because that is too indefinite and too intangible. He sells education for children, monthly life income for wives and daughters, mortgage payment plans, estate tax exemptions.

"Determine the prospect's needs, diagnose his case and then submit him a plan—an idea—not life insurance. Who in the world wants to buy life insurance? Nobody! But all of us want our children to be educated, want income in our own old age, monthly incomes for our families, and cash to pay estate taxes, etc. Stress these ideas and let the other guy peddle his life insurance. Life insurance to the average prospect simply means cash at death," Mr. Monroe pointed out.

Be Sure He Buys Enough

After a prospect has been sold and examined the agent should give careful consideration to whether this prospect has applied for all of the insurance he can afford to pay for. "If he hasn't, you haven't done a complete job. Another agent may come in behind you, and sell him \$20,000 more insurance as a result of your approach and your sales talk. You were the pioneer who did all of the work; will you let the other agent pick the cherries? Figure out in your own mind how much this prospect can afford to lay aside each year for life insurance and order out an additional \$10,000 or \$100,000, whatever amount it takes for you to get all of the business you have sold."

Mr. Monroe believes that an agent's ability to select the proper contract to meet a definite need and his willingness to put himself in the prospect's shoes plays a very important part in his success or failure. If you expect to be in this business only temporarily, and you don't mind losing the confidence of the people with whom you are doing business, then—and only then—can you afford to sell the contract you want to sell and not the contract you should sell. It's human nature to want to get ahead,

Should Stress Public Relations

(CONTINUED FROM PAGE 3)

falling into line until now agency qualification laws have become generally accepted.

Commissioner Blackall reviewed many of the vital steps that have been made in the progress of life insurance and commented on its fundamental soundness. He said that the total assets from the very nature of the business must increase in a healthy company. It is a well established fact that the funds of life insurance companies are held for the policyholders and their beneficiaries, and it is recognized that wherever and whatever funds of the public are so held by private institutions, some form of public supervision will be necessary and desirable.

He concluded with the thought that in an age which is relying upon emphasizing the use of the machine, an age which is hysterically changing the picture of organized society, it is heartening to be associated in some measure with a business that has kept its feet on the ground, met its responsibilities, and recognized its obligations both to the public and to its government.

and to make as much money as we can, but it is extremely short-sighted to sell commissions rather than to cover a prospect's needs with the proper policy, regardless of the commission to you."

Question of Dividends in Policy Proceeds Payment

The Louisiana supreme court affirms the lower court decision in Dreher vs. Guaranty Income Life. This action was to recover the face value of the policy. The plaintiff at first claimed that all premiums had been paid and that the policy was in full force and effect at the date of the insured's death. Subsequently, however, it was claimed that even if the last premium payment had not been made, there was owing to the insured a dividend sufficient to keep the policy in force until the date of death. It was shown that the insured had agreed that dividends that became due were to be applied to purchase specified shares of stock and that such application had been made. It was further shown that the insured had borrowed against the policy and had been given credit for a balance of dividends due after purchase of stock had been made. Although reinstatement was undertaken after the policy had lapsed for non-payment of premiums, no reinstatement was effected since the insured admitted his inability to make the necessary cash payment. The judgment entered in favor of the defendant company is affirmed.

Irving Weil, manager of Brooklyn 3 for John Hancock, celebrated his twenty-fifth anniversary with that company. Members of the agency held a dinner in his honor.

Just the thing to convince hard boiled prospects—"24 Men in 24 Years." Order 8 booklets for \$1 from National Underwriter.

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NEWS ABOUT LIFE POLICIES

By JOHN H. RADER

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem." Published Annually in May and March respectively. PRICE, \$5.00 and \$2.50 respectively.

Dividends and Interest for 1941

	Change in Dividends from 1940	Non-withdrawal proceeds	With-drawable proceeds	Dividends left to accumulate.
Aetna Life	same			
Amer. Home, Kan.	same	3.5	3.5	3.5
Bankers, Neb.	tentatively same			
Boston Mutual	same	3.0	3.0	3.5
Calif.-Western	same	guar. rate		4.0
Central, O.	same	3.5	3.5	3.5
Columbus Mut.	approx. 15% inc. on 3 1/2% policies, new 3% policies to be adopted Jan. 1.			
Conn. Mutual	approx. 8% reduction.			
Continental Amer.	same through June 30.	3.5	3.5	3.5
Equitable, Can.	same	4.0	4.0	4.0
Excelsior, Can.	same through June 30.	guar. rate		guar. rate
Expressmen's Mut.	same	3.0	3.0	3.0
Fidelity Union	same	4.0	3.5	4.25
Great Amer., Tex.	same	3.0	3.0	3.5
Great Lakes	same	3.0	3.0	3.5
Guardian, N. Y.	Same except reduction on single prem. policies.	guar. rate		guar. rate
Home, N. Y.	same	guar. rate		guar. rate
John Hancock	same	guar. rate		guar. rate
Ky. Home Mutual	same			3.5
Lafayette	same	3.5	3.5	3.5
Manhattan Mut.	approx. same	4.0	3.5	4.0
Manufacturers	same	guar. rate except fixed period income gets 3.75%		3.75
Midland Mutual	same for 3% policies issued after Jan. 1, 1938.	guar. rate		guar. rate
Midwest Life	same	guar. rate		guar. rate
Monarch, Mass.	tentatively no change.	3.5	3.5	3.5
Mutual, Can.	tentatively no change.	4.0	3.5	4.0
Mutual Trust	tentatively no change.			
National, Vt.	same	3.5	3.5	3.5
Natl. Masonic	same	3.5	3.5	3.5
Northern, Can.	same	3.5 (tent.)	3.5	3.5
Northwestern Mut.	new schedule	3.5	3.25	
Ohio State	same	3.0	3.0	3.0
Phoenix Mutual	reduction			3.5*
Policyhold, Natl.	same	3.5	3.5	3.5
Provident Mut.	reduction			
Prudential	generally decreased			
State, Ind.	same through February.	guar. rate		guar. rate
State Mutual, Mass.	approx. 14% decrease.	3.5	3.0	3.0
Texas State	same			
Union Labor	same	guar. rate		guar. rate
Western, Mont.	same	4.0	4.0	4.0
Western Mut., N. D.	same	3.5	2.5	3.5
Western Reserve	same	4.5	4.5	4.5
Wisconsin Life	same	3.5	3.5	3.5

*Issues prior to Jan. 1, 1941.

Aetna Life Cuts Limits On Single Premium Forms

New rules restricting the limits on single premium policies that will be issued have been made effective by Aetna Life. On single premium life and endowment policies, the new limit is \$25,000, including cash value on any single premium policy already in force. Of the \$25,000 premium, not more than \$10,000 may be on a single premium endowment running for less than 25 years.

No single premium endowment will be issued for a term of less than 15 years. The limit of single premium immediate annuities, refund annuities and cash refund annuities on one life is limited to \$50,000 including all previous purchases at the time of application. Any single premium received on a joint and survivorship annuity will count for its full amount for each life. No reduction in the limit will be made on account of group annuities or annuities under settlement options.

V. R. Smith, general manager of the Confederation Life, a former president of the American Institute of Actuaries, has been appointed by the Canadian government as a member of the advisory committee to the unemployment insurance commission.

Funeral services were held for Henry L. Meyers, special agent for Northwestern Mutual Life at Rochester, N. Y., who died at his home two days after he was awarded a pin in recognition of his 47 years' service.

Metropolitan, Prudential on Big Advertisers' List

Metropolitan Life stands 51 and Prudential 77 in the list of the 100 largest national advertisers in the United States during 1939 which appeared in "Editor & Publisher" of Nov 30.

Metropolitan Life's total expenditure in newspapers, magazines, and radio chains is given as \$1,163,988. The distribution was: Newspapers, \$177,626; magazines, \$916,122, and radio, \$70,240.

The Prudential total was \$866,593, divided: Newspapers, \$272,670; magazine, \$179,593, and radio, \$414,330.

The Charles B. Knight agency of Union Central Life in New York had paid for business for November of \$1,380,115. The total paid for business for eleven months is \$14,803,924.

Rates for New Prudential Forms

Some time ago Prudential announced changes in the policy contract, revision of dividends for 1941 and new policy plans. The premiums for these new plans have now been released. Head-

ings and footnotes on the accompanying table describe the more important features of their coverage. The new dividend schedule has not been released for publication.

Age	Whole Life Paid-up at \$5	Income			Endowment†			Family Income*		
		Male 55	Male 60	Male 65	Female 55	Female 60	Female 65	First 3 Yrs.	Next 17 Yrs.	After 20 Yrs.
10	\$14.20									
15	\$15.65	\$36.14	\$28.93	\$24.15	\$39.08	\$31.07	\$25.61			
20	\$17.43	\$43.41	\$33.93	\$27.75	\$47.14	\$36.61	\$29.56	\$19.17	\$22.55	\$16.28
21	\$17.82	\$45.14	\$35.09	\$28.58	\$49.06	\$37.91	\$30.48	\$19.60	\$23.06	\$16.71
22	\$18.24	\$46.98	\$36.33	\$29.44	\$51.10	\$39.27	\$31.44	\$20.04	\$23.58	\$17.14
23	\$18.66	\$48.94	\$37.63	\$30.36	\$53.28	\$40.72	\$32.45	\$20.52	\$24.14	\$17.62
24	\$19.11	\$51.04	\$39.01	\$31.32	\$55.60	\$42.25	\$33.49	\$21.00	\$24.71	\$18.11
25	\$19.59	\$53.29	\$40.48	\$32.35	\$58.12	\$43.89	\$34.63	\$21.52	\$25.32	\$18.61
26	\$20.07	\$55.70	\$42.04	\$33.43	\$60.79	\$45.64	\$35.82	\$22.08	\$25.98	\$19.13
27	\$20.59	\$58.30	\$43.72	\$34.56	\$63.69	\$47.49	\$37.08	\$22.66	\$26.66	\$19.69
28	\$21.13	\$61.11	\$45.52	\$35.79	\$66.82	\$49.48	\$38.43	\$23.29	\$27.40	\$20.29
29	\$21.71	\$64.16	\$47.43	\$37.08	\$70.20	\$51.60	\$39.85	\$23.97	\$28.20	\$20.92
30	\$22.33	\$67.48	\$49.49	\$38.48	\$73.87	\$53.90	\$41.38	\$24.72	\$29.08	\$21.59
31	\$22.98	\$71.08	\$51.72	\$39.96	\$77.88	\$56.38	\$43.03	\$25.51	\$30.01	\$22.28
32	\$23.66	\$75.03	\$54.12	\$41.55	\$82.26	\$59.04	\$44.77	\$26.39	\$31.05	\$23.02
33	\$24.39	\$79.34	\$56.72	\$43.24	\$87.06	\$61.92	\$46.64	\$27.33	\$32.15	\$23.81
34	\$25.16	\$84.12	\$59.54	\$45.08	\$92.35	\$65.06	\$48.66	\$28.37	\$33.38	\$24.65
35	\$25.98	\$89.36	\$62.59	\$47.04	\$98.17	\$68.46	\$50.83	\$29.50	\$34.71	\$25.54
36	\$26.84	\$95.20	\$65.93	\$49.15	\$104.66	\$72.15	\$53.15	\$30.71	\$36.13	\$26.47
37	\$27.76	\$101.70	\$69.55	\$51.42	\$111.86	\$76.18	\$55.66	\$32.02	\$37.67	\$27.46
38	\$28.74	\$108.98	\$73.54	\$53.90	\$119.95	\$80.60	\$58.36	\$33.45	\$39.35	\$28.52
39	\$29.76	\$117.19	\$77.91	\$56.54	\$129.07	\$85.46	\$61.29	\$34.97	\$41.14	\$29.62
40	\$30.84	\$126.52	\$82.74	\$59.44	\$139.45	\$90.83	\$64.48	\$36.62	\$43.08	\$30.80
41	\$32.00	\$137.20	\$88.07	\$62.56	\$151.30	\$96.76	\$67.93	\$38.40	\$45.18	\$32.05
42	\$33.20	\$149.54	\$94.04	\$65.97	\$165.01	\$103.39	\$71.70	\$40.33	\$47.45	\$33.35
43	\$34.48	\$163.94	\$100.70	\$69.71	\$181.00	\$110.80	\$75.82	\$42.40	\$49.88	\$34.75
44	\$35.84	\$180.96	\$108.19	\$73.79	\$199.95	\$119.13	\$80.32	\$44.62	\$52.49	\$36.21
45	\$37.27	\$201.42	\$116.67	\$78.28	\$222.65	\$128.57	\$85.28	\$47.04	\$55.34	\$37.79
46	\$38.79		\$126.38	\$83.23		\$139.40	\$90.76			
47	\$40.39		\$137.58	\$88.74		\$151.87	\$96.86			
48	\$42.09		\$150.63	\$94.85		\$166.41	\$103.66			
49	\$43.89		\$166.01	\$101.73		\$183.59	\$111.30			
50	\$45.79		\$184.46	\$109.50		\$204.21	\$119.91			
51	\$47.70			\$118.23			\$129.64			
52	\$49.73			\$128.30			\$140.84			
53	\$51.86			\$139.97			\$153.87			
54	\$54.12			\$153.68			\$169.17			
55	\$56.54			\$170.03			\$187.50			
56	\$59.10									
57	\$61.81									
58	\$64.65									
59	\$67.66									
60	\$70.84									
61	\$74.13									
62	\$77.55									
63	\$81.11									
64	\$84.81									
65	\$88.65									
66	\$92.63									
67	\$96.75									

†\$1,200 or cash value, if greater, prior to maturity. At maturity, \$10 monthly life income, 10 years certain.
*Modified Life 3 (Min. \$5,000). \$10 a month to 20th policy anniversary; then \$1,000.

Two Prominent Men in Public Life Talk at Midyear Rally

(CONTINUED FROM PAGE 4)

They cost the taxpayers more in fire prevention and police supervision. The government was forced to step in to protect the people and through sound,

wholesome planning has accomplished much. He said that Superintendent Pink probably is as great an authority as can be found in the country on housing conditions.

The government, he said, must step in under these circumstances and be the sheltering arm of the poor. People, he said, should have the opportunity of liv-

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PROPERTY MANAGEMENT — DIRECTORY —

* The property management firms whose names are shown on this page have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

ALABAMA

**ENGEL
REALTY COMPANY**
Realtors & Insurers
MANAGEMENT SALES
LEASES APPRAISALS
BIRMINGHAM, ALABAMA

KANSAS

Complete Real Estate Service
• PROPERTY MANAGEMENT
• SALES • RENTALS
• MORTGAGE LOANS
The
**Wheeler Kelly Hagny
Trust Company**
Wichita, Kansas

ARKANSAS

**READ-STEVENSON & DICK
INC.**
Property Management
Sales—Leasing
Mortgage Loans
A. C. Read II R. Redding Stevenson
Charles E. Dick
109 South Main Street
LITTLE ROCK, ARKANSAS

MICHIGAN

EQUITABLE TRUST COMPANY
600 GRISWOLD STREET DETROIT, MICHIGAN
•
Property Management
Appraisals
Mortgage Loans
Sales
Trusts Estates

ing in decent quarters. If democracy is to live and function, he said, demands like this must be met.

He characterized insurance as a semi public institution. Life companies especially are limited by law to certain types of investments which he regards as desirable. He said, however, that they should be allowed to invest funds in these housing projects where they are planned wisely. These projects are promoted under government control by companies paying limited dividends. He said that life companies have been obliged to foreclose on thousands of farms and urban properties. In these housing projects they may not earn the interest that they are on some other investments but they are sure to get their money, he said. He invited a comprehensive study of these housing problems.

Mayor La Guardia said that he had become convinced that the office of insurance commissioner should be removed entirely from politics. He further said that savings banks which are not in the same category as commercial

banks should be under the supervision of insurance commissioners.

In introducing Mr. Farley, Superintendent Pink said that the two subjects which occupied his mind in early days were politics and baseball. Mr. Farley's success, he said, has been largely due to his real affection for people. Mr. Pink was very gracious in his introduction and Mr. Farley said that a few years ago his young son about 11 years of age had read in a paper something about him in which he was called "great." At the breakfast table he said that Jimmy Jr. inquired "Father, you do not think you are a great man, do you?" Mr. Farley said, "No." The son replied "Neither do I."

Mr. Farley referred to the fact that the post office department last year did a business of \$760,000,000. It was especially good, he said, in October this year as the receipts were \$7,000,000 above those of October, 1939. Therefore, he thinks a presidential election is a good thing for the post office department once in a while.

Insurance and the People

Insurance, he said, represents the largest business institution in the country. More people are concerned with insurance because of its many varieties than they are with anything else. It touches, he said, more than half the people in some way or other and means much to them. The business had encountered serious difficulties as all others have. He said that insurance had passed through these difficult years successfully and is in better condition than before. He said that people desire to have confidence in those with whom they do business and therefore it is highly necessary for the insurance companies and insurance business to be carried on with high regard for the policyholders.

No Disrespect is Shown

Mr. Farley said that during the year he visited 1,500 different communities. He acknowledged that on a number of these he was seeking votes. In no way, he said, was there any manifestation of any sign of disrespect. He acknowledged that he had a real affection for this country. He said that he had his own political views as to the recent campaign and he confessed they had not changed. However, he said that all people should accept the will of the majority. It is highly essential, in his opinion, for people to lay aside their political differences at the time and stand back of the government in its effort to promote the safety of this nation. With all hands united there is no reason, he added, why the country should not be very prosperous. He regards New York City as the greatest city in the world.

FLORIDA

Property Management
Mortgages—Sales
Appraisals
HAUGHTON JR.
COMPANY
108 West Bay St. Jacksonville, Florida

MINNESOTA

DUNN & STRINGER
INCORPORATED
Empire Bank Building
St. Paul, Minnesota
McNeil S. Stringer, Pres.
Mortgage Loans
Real Estate
Property Management

Title Insurance Companies

• The title insurance firms whose cards are shown on this page have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

COLORADO

THE TITLE GUARANTY COMPANY
W. Elliott Houston, Pres. Aksel Nielson, Exec. V. P.
"Home of Landon Abstracts"
Titles insured thruout Colorado.
Escrow Service—Loans—
Abstracts
1500 Court Place—Denver

ILLINOIS

Ralph W. Applegate and Co.
SALES AND LEASES
PROPERTY MANAGEMENT
COMPLETE MORTGAGE FINANCING
GENERAL INSURANCE
MEMBER
Chicago Real Estate Board
National Ass'n. of Real Estate Boards
Chicago Board of Underwriters
Continental Illinois Bank Bldg.
CHICAGO
FRANKLIN 7070

OHIO

THE
**HOWELL-VIGGERS
CORPORATION**
Certified Property Managers
Appraisals Sales
Second National Bldg.
Akron, Ohio

MISSOURI

Title Insurance Corporation
of St. Louis
810 Chestnut Street
McCune Gill, Vice President
Qualified with Insurance Departments
of Missouri and Eastern States
— o —
Disburses construction funds and insures against Mechanic Liens

INDIANA

Property Management
Leases Sales Loans
Appraisals—Insurance
W. A. BRENNAN INC.
INDIANAPOLIS

Raymond T. Cragin & Co.
Raymond T. Cragin, M. A. I.
PROPERTY MANAGEMENT
APPRAISALS
LOANS
LEASING
Covering Complete Metropolitan Area
National City Bank Bldg.
CLEVELAND

OHIO

TITLE INSURANCE
THE
CUYAHOGA ABSTRACT
TITLE AND TRUST
COMPANY
"Cleveland's
Oldest"
TITLE GUARANTIES

OKLAHOMA

AMERICAN FIRST TRUST CO.
First National Bldg.
Oklahoma City, Okla.
•
STATE-WIDE TITLE INSURANCE
Under Supervision of State Bank Commissioner

Klein & Kuhn
Guaranty Building
Indianapolis
SALES • APPRAISALS
LEASES
Property Management

YOU CAN INCREASE YOUR INCOME
in 1938 by stressing liability coverages.
Profit making suggestions are published
every month in The Casualty Insurer.
\$1.50 a year. 175 West Jackson Blvd.,
Chicago.

SALES SHORTS

Knowledge plus faith plus plans equals zero.

But knowledge plus faith plus plans plus action equals success!

Think straight if you want to keep from running around in circles.

Salesmanship is faith in action.

PURE PROTECTION LOW COST LIFE INSURANCE

Ordinary, Whole Life Policy Without
Investment Features
Life Insurance In Itself Is Inexpensive
ESTIMATED AVERAGE ANNUAL COST
AGE 40... \$16.40
PER \$1,000.00
33 Years of Dependable Service to Policyholders

**Interstate Reserve
Life Insurance Company**
Ten East Pearson Street, Chicago

FRATERNALS

Assessment Clubs in Canada Attacked

TORONTO—There is a movement afoot in western Canada, particularly in British Columbia and Saskatchewan, to eliminate the so-called "assessment club" evil. The Canadian Fraternal Association is backing this cleanup campaign. Most of the provinces have taken steps by legislative action to close up organizations of this type which operate on an unsound basis, but in British Columbia and Saskatchewan they still operate on a large scale.

The assessment clubs adopt names similar to those of sound companies or societies. Some are labeled "life insurance clubs," others use the terms "societies" or "mutual benefit." It is charged they are unable to provide the same protection as insurance companies and fraternal, which must meet strict law requirements.

Association Takes Stand

The Canadian Fraternal Association has openly taken the stand these clubs are contrary to public interest, and are unfair to fraternal societies, which are held to rigid standards of solvency. The association charges as a rule these clubs operate primarily for the profit of the promoter and his staff. The usual practice is to solicit members, charge entrance fees and annual dues, and every time a member of the club dies, collect an extra dollar from each member to turn over to the family of the deceased. The assessment club, it is claimed, can guarantee no insurance, yet, through the ambiguous names adopted, more or less pretends to be an insurance company. It rarely has the characteristics of a fraternal society lodge system, representative form of government, etc. It relies on mailing campaigns and personal follow-ups to secure members.

There are no such assessment clubs in Ontario or eastern Canada. Legislation has driven them out of Alberta. In 1935, Manitoba also took legislative action to force out many such clubs, except those operating on a sound actuarial and financial basis.

Have Considerable Membership

Four of these are operating in Saskatchewan, according to the Canadian Fraternal Association, with aggregate membership of 13,500, and without insurance department supervision. The association claims these clubs are on an unsound basis.

The association reports 15 to 20 assessment clubs operate in British Columbia, and are not responsible to the department. Their membership is in excess of 20,000. A special committee of the association recently was appointed to study the situation.

Milwaukee Congress Meets

MILWAUKEE — Fraternalism and Americanism were subjects discussed at a joint meeting of the Sunday Morning Breakfast Club and Milwaukee Fraternal Congress. Leo Packard, congress secretary, commented that one of the first acts of Hitler when he assumed power was to disband fraternal societies. "There would be no war in Europe today if the various fraternal had been united as one dynamic force, as they are being united in America."

Grundle Talks on Church Music

Joseph Grundle, secretary Catholic Family Protective and secretary Milwaukee Board of Fire Underwriters, addressed a Milwaukee luncheon club on "The Why of Catholic Church Music." He has been a church organist there for many years.

Just the thing to convince hard boiled prospects—"24 Men in 24 Years." Order 8 booklets for \$1 from National Underwriter.

Annual Meeting of Commissioners Will Be in Detroit

(CONTINUED FROM PAGE 1)

he is now at his office every day and is moving along with steady strides.

At the executive committee meeting Commissioner Williams of Mississippi called on zone chairmen to report. Blackall, of Connecticut is chairman of zone 1, Bowles of Virginia, No. 2, McCormack, Tennessee, No. 3, Yetka, Minnesota, No. 4, Harrison, Arkansas, No. 5 and Neslen, Utah, No. 6. Some zone commissioners met since the last meeting and others did not.

The committee on examinations held an executive session Tuesday morning with J. G. Read presiding. It was decided that in case a company did not operate in any state within a zone there should be no examiner participating from that zone.

C. C. Fraizer Presented

C. C. Fraizer of Aurora, new Nebraska commissioner-designate, was introduced to the convention. He was president of the Nebraska Willkie clubs.

T. J. Herbert, recently elected Ohio attorney-general, was presented. He accompanied Superintendent Lloyd. McKay Reed of Louisville, former Kentucky commissioner, registered. R. L. Bowen, former Ohio superintendent, was present.

Equitable Society gave a luncheon to all hands Tuesday noon, R. J. Starrett of the president's staff being in charge. The Equitable band furnished the music. Commissioner Blackall of Connecticut at the close expressed the appreciation of those present.

A luncheon for the ladies was given at the Ritz Carlton Tuesday with Mrs. L. H. Pink, wife of the New York superintendent, in charge. There was a style show following the luncheon. Mrs. Pink extended greetings to the visiting women.

Philip Kniskern, president National Association of Real Estate Boards, was present and held conferences with the committee on real estate appraisals headed by Harrington of Massachusetts. Commissioner Apodaca of New Mexico wired regrets at his being unable to attend.

The report of the committee on valuation of securities is:

Resolved, that, for the submission of annual statements to the various departments as of Dec. 31, 1940, bonds not in default as to principal or interest, which are certified by the insurer submitting the statement to be amply secured, shall be deemed amply secured; provided, that they are included in the classifications described below:

(A) Bonds issued, assumed or guaranteed by the United States or the Dominion of Canada or any political subdivision therein, or any civil division or public instrumentality of any of the foregoing which are legal for investment by insurance companies under the laws of the respective states.

(B) Bonds rated in any of the first four grades by at least two of the recognized rating services.

(C) Bonds rated in any of the first five grades by at least three of the recognized rating services.

Actual Sales or Bid Prices

(D) Bonds which do not meet the tests under (B) or (C) but which are rated in any of the first five grades by two of the recognized rating services; provided, that actual sales or bid prices

on such bonds reached 55 percent or higher during each of the months of September, October and November, 1940.

(E) Corporation bonds not rated, or rated less than two of the recognized rating services, and foreign government bonds other than Canadian, may be classified under (B), (C) or (D) if they are of security equivalent to bonds in such classifications and satisfactory evidence thereof is presented. The ratings referred to herein relate to the Dec. 1, 1940 ratings issued by the following four recognized rating services: Moody's Investors Service, Poor's Publishing Company, Fitch Investors Service and Standard Statistics Company.

Exchange of Assets

The subject of exchange of assets was discussed. Harrington proposed a motion which was adopted to the effect that it be recommended to the commissioners that insurers be required appropriately to indicate such exchanges in their annual statements. The method of indi-

cation recommended was the abbreviation "ex" followed by a numeral in parenthesis after the description of the asset disposed of and the asset acquired. The reason for this action is to provide a means of ready check as to the correctness of the values stated when exchanges are made.

It was also pointed out by the chairman of the committee that the resolution printed on page 185 of the June, 1940 proceedings of the association with reference to the amortization of premiums paid on mortgages insured under provisions of the national housing act contains a clerical error in that reference is made to mortgages insured "in the Federal Mortgage Corporation." The words in quotation marks constitute an error and in order to correct the situation the committee adopted the following resolution which is recommended to the convention:

Resolved, that the companies be allowed to take credit for the amortized value, on a five year basis, for the premium paid on a mortgage insured under

1883

1940

FIFTY-SEVEN YEARS

ON JANUARY 5, Modern Woodmen of America rounded out fifty-seven years of faithful life insurance service to members and beneficiaries. During this long period the Society has disbursed in excess of \$610,000,000 in death and cash benefits. All claims are paid with a promptness equaled by few life insurance organizations.

MODERN WOODMEN OF AMERICA has always fulfilled its mission of human helpfulness. It has disbursed thousands of dollars in cash for the relief of distressed members throughout the United States. More than 11,000 members have been treated free of charge at its tuberculosis Sanatorium in Colorado.

Life Insurance Protection for the Entire Family

MODERN WOODMEN OF AMERICA

HEAD OFFICE

ROCK ISLAND, ILLINOIS



A GREAT FRATERNAL
WITH
A GREAT RECORD

Aid Association for LUTHERANS

The largest legal reserve life insurance organization exclusively for Synodical Conference Lutherans.

Appleton, Wisconsin

Alex. O. Benz, Pres.

Otto C. Rentner, Vice-Pres.

Wm. H. Zuehlke, Treas.

THE WOMAN'S BENEFIT ASSOCIATION

Founded 1893

A Legal Reserve Fraternal Benefit Society

Bliss West Miller
Superior President

Francis D. Partridge
Superior Secretary

Port Huron, Michigan

the provisions of the national housing act.

Owing to the retirement of Commissioner Lovejoy of Maine from office his place on the executive committee was filled by election of Albert F. Jordan of District of Columbia. Gontrum of Maryland advocated the formation of a bureau of information and research for the benefit of the entire body. This will enable the association to function more effectively. It should be manned by capable employees. A few years ago Palmer of Illinois recommended the appointment of an executive secretary. The main problem, President Blackall said, is to get money to meet the demand. He will address the commissioners on the subject and get their views. Blackall will report to the executive committee before the Detroit meeting so that the subject can be digested.

Harrington of Massachusetts, chairman of committee on real estate holdings, reported a series of rules governing real estate other than home office property. This has to do with valuation of property. The report was adopted. The report is:

Rule 1. In event of foreclosure of mortgage, or deed in lieu thereof on real estate, said real property shall be valued at an amount computed as follows:

Book Value of Real Estate

The unpaid balance of the mortgage, plus the unpaid interest on the mortgage assumed by the company to an amount not exceeding interest due for one year, plus unpaid taxes or any part thereof for one year immediately preceding foreclosure. The foregoing amount to constitute the book value of the real estate in the absence of an appraisal made within one year. If an appraisal, made by an independent qualified appraiser, is available, and if the appraised value be less than the value as computed above, the appraised value shall then become the book value.

Rule 2. If real estate is owned by the company for five years, and no appraisal has been made since acquisition, a competent, independent appraisal may be secured to determine the value of such real estate for future holdings. Such appraised value, if less than a previously determined value, shall supplant same provided the commissioner of insurance is satisfied as to competency of the appraiser. In no event shall the value be greater than the unpaid balance of the mortgage, exclusive of interest and taxes.

Annual Depreciation

Rule 3. Buildings, which have been repossessed by an insurance company through mortgage foreclosure or otherwise, shall be depreciated not less than 2 percent annually. Further justifiable depreciation or appreciation of buildings may be allowed by the commissioner for reasons which he shall set forth.

Rule 4. Before extension for holding real estate is granted, the commissioner shall make inquiries to determine the ways and means employed by the company to dispose of the real estate and may grant such extension as he deems necessary for the purpose of conserving the assets of any company.

Rule 5. If any of the foregoing rules are in conflict with any of the statutes of any state, the statute shall prevail.

Rule 6. If a reserve has been established for the depreciation of real estate, such reserves should not be reduced until conclusive evidence has been presented to the commissioner justifying such reduction. It is desirable that individual parcels of property be marked down as soon as possible in order that reserves for depreciation may be modified and ultimately eliminated.

Rule 7. If a mortgage loan has been outstanding for 10 years without payment on principal, an appraisal should be made by an impartial, independent appraiser.

Actuary Guertin of New Jersey reported for the committee that had been studying the question of valuation of

bonds, finding there was a lack of uniformity among the states. He referred to the recent program set forth by the New York department as to such valuations, saying that it met with approval on the part of the committee, but they recommended modification in two points.

The New York department had five classes of bonds which could be amortized. The committee recommended that all public securities be placed in the amortization class, the New York department making some exceptions. It also had a recommendation as to bonds that had been purchased direct and where there were no market quotations, providing that they be amortized. The main change was in the fifth group consisting largely of railroad bonds, some public utility and some industrials. It was agreed that where two standard services gave a bond rating and the bond sold at 55 or higher during September, October, and November, it could be amortized. There must be a sale however during each month.

Institute Surveys Annual Statement

(CONTINUED FROM PAGE 12)

and hamper the individual in his efforts to achieve financial independence and security. The average man is too apt to think of low interest rates as an advantage to him whereas actually they cut both ways. This is clear to the savings bank depositor who has seen the annual dividends on his savings account reduced from \$4.50 for every \$100 10 years ago to as little as \$1.50, in some cases, in 1940. It is less clear to life insurance policyholders since the relationship of low interest rates to their insurance is not self-evident. An appreciation of this fact by policyholders would undoubtedly contribute to a better understanding of how life insurance works.

It was urged that liberalization of policy provisions in the year should be noted in the report. Broadening of benefits and privileges of life insurance is a matter of gradual evolution so that changes and improvement in any single year may seem to the executive to be of relatively minor importance in relation to the long term trend. Nevertheless, product improvement is a positive indication of the progressive character of management and the vitality of the industry.

More Sex Appeal Urged for Institutional "Ads"

(CONTINUED FROM PAGE 14)

Mutual Life took off, respectively, J. M. Holcombe, Jr., B. N. Woodson, and Lewis W. S. Chapman of the Life Insurance Sales Research Bureau.

To the tune of "Alice Blue Gown," Mr. Holcombe sang:

"... At the schools I appear
And I try to make clear
The bunk that my colleagues
Dish out every year."

"The Analagizer" was a dig at programming devices generally and the Mutual Benefit's "Analagraph" in particular. James Toomey, associate general agent Connecticut Mutual; Ben

Policy Wallets

Perfect for Remembrance Advertising!
Leather Policy Wallets

Black grained leather policy wallets with 7 envelopes inside. \$1 ea. or 75c ea. in doz. lots. Deluxe quality, leather lined, \$1.75 ea. or \$1.50 ea. in doz. lots. Cash with order unless rated concern. (Combs Sales Fac. 1-inch rings, inside zipper pocket, \$5.50.)

KING'S

916 CALHOUN ST.
FORT WAYNE, IND.



Salinger, general agent, Mutual Benefit, and Jerome Siegel, Prudential, put the prospect, portrayed by Mr. Anzel, on a table and through a highly complicated series of tests, using gadgets reminiscent of Prof. Lucifer K. Butts. Manuel Camps, Jr., general agent John Hancock, was the announcer for this skit and acted as general master of ceremonies for the entire show.

The final number was a minstrel show which featured a number of songs parodying popular tunes. To the tune of the old-time favorite, "Ma, He's Makin' Eyes at Me," Mr. O'Mara sang of proselytizing:

"When he heard my volume was good
"He suggested my agency was too congested," and a few bars later,
"He's put nothing down in writin';
But the louse is proselytin';
Ma, he's hirin' me!"

George P. Shoemaker, general agent Provident Mutual, was chairman of the show committee, which also included R. G. Engelsman, Penn Mutual, Timothy Foley, State Mutual, Mr. Camps, Mr. Salinger, Kenneth Anderson, Provident Mutual, Hubert Davis, Union Central, and Harold Taylor, Mutual Life. Gilbert Austin, Aetna Life, Brooklyn, was stage manager. Mr. Anderson wrote the words to all the songs except for two, one of which was written by Mr. Shoemaker and the other by Mr. Foley. L. W. S. Chapman, Sales Research Bureau, and Lester Rosen, Union Central, gave a two piano number.

Caminetti Files Briefs

LOS ANGELES—Commissioner Caminetti has filed with the California supreme court a brief in his two separate appeals from the decision of Superior Judge Vickers denying petitions to set aside the voting trust agreement of Pacific Mutual Life, the case having been argued some weeks ago.

Increase your sales with "24 Men in 24 Years," 8 copies for \$1. National Underwriter.



A Pocket Size

VISUAL SALES BOOK

HERE'S a visual sales book that's just what its name, **Pocket Book Pictures**, implies. It's pocket size (3 1/2 by 5 1/2 inches). It pictures life insurance in terms of the prospect's pocket book—with 30 pictures and a selling idea to go with each.

Just the thing always to carry in your pocket to visualize specific benefits of life insurance. Complete instructions on using **Pocket Book Pictures** effectively, and sales talks for each picture, given free with each book.

Prices—Single copy, \$1.50; 10 @ \$1.30; 25 @ \$1.20; 50 @ \$1.10.

PICTORIAL DIVISION,
The Rough Notes Co., Indianapolis
Here's \$1.50. Send a copy of Pocket Book Pictures on ten days free trial to
Name.....
Address.....
City..... State.....

Draftees Take Big Volume of Government Insurance

AYER, MASS.—In the first few days of camp life for the 909 draftees at Camp Devins, more than half of them have taken out \$1,500,000 of insurance under the government's national service plan.

Staff Sergeant R. J. Kaufman of Rochester, N. Y., has been made general agent of the government's insurance office and has been given a staff of 12 army clerks to handle the business.

The average amount taken out is \$2,500. A few have subscribed for \$5,000 and \$10,000 policies.

RESULTS AT CAMP DIX

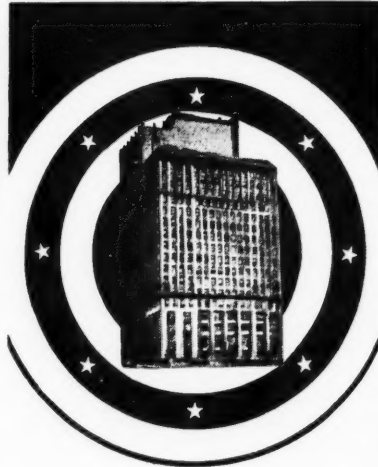
According to reports at Camp Dix, N. J., 75 percent of the draftees, none of whom ever had spent a cent on a life insurance policy, have taken out government life insurance coverage. The greater part of the policies are of the \$1,000 type. Only one \$10,000 policy has been taken out, by Chang Yuen Chan, a Chinese from New York City.

Actuary Wants Calendar Reform

At the meeting of the Actuaries' Club of Philadelphia, Harold M. Horne, associate actuary of Girard Life, presented the case for the revised world calendar of 12 months, versus the International Calendar of 13 months. He believes 1950 is a logical year for putting calendar reform into effect, as it is the next year to start with Sunday, the first day of the week.

Maurice H. LeVita, statistician of Fidelity Mutual, discussed various types of charts and graphs in their application to the business.

Charles E. Rickards, assistant actuary of Penn Mutual, reviewed the brief presented to the TNEC by a number of companies discussing the material presented at the public hearings. Provident Mutual was host at this meeting.



**General Agency
OPPORTUNITIES
for good personal
producers**



Sales Ideas and Suggestions

Successful Management and Sales Idea Given by Utter

DEROIT—A philosophy of agency management based on nearly a half century's experience in the field was presented before the Associated Life General Agents & Managers by A. C. Utter, general agent New England Mutual. Mr. Utter's agency placed second among his company's 75 offices in October.

Much has been said about raising the standards of the life insurance business and paying more attention to its ethics, yet general agents continue to enter into contracts with men who have been discharged from other agencies, usually for good cause, Mr. Utter declared. If a man does not make good with one company, he is not very likely to do so with another and if he has done something for which he was discharged, transferring him to another agency is not likely to reform him, Mr. Utter said.

Study Selection of Men

More attention should be paid to the problem of the selection of men. During the first interview Mr. Utter asks the prospective agent for a list of persons whom he knows and has had contact with, together with their occupations. This list enables him to size up the prospect's potential possibilities in the business, indicates whether the man is a mixer and whether he knows the right kind of people to serve as an effective prospect beginning.

Probably the most important factor in judging a prospective agent's chance for success is whether or not he has a burning ambition to be successful, Mr. Utter asserted. If he doesn't seem to care whether he is successful or not, he probably never will be and it certainly will not pay to invest any money in training and maintaining him. Recruiting is more vital today than ever before, he said, because the draft and national defense activities will take men from the agencies.

Should Be Told Facts

New men going into the business should not be told that the sale of life insurance is easy; they should be told that the first two years and even the first five years will be hard, just as the first few years are hard for the doctor or the lawyer, and for exactly the same reason. Every professional man must serve his apprenticeship before he begins to reap the rewards of his acquired experience. Even so, the life underwriter probably has the better chance to make a good living reasonably early.

Mr. Utter places more stress on a man's character than he does on the amount of training he is willing to undergo or the amount of reading and studying he will do. He tells his men that if they make any less than eight or 10 calls per day and secure any less than two thoughtful interviews per day, they are not working full time in their chosen profession—they are part-timers. There is a very great difference between earning and yearning!

Effective Paper Approach

The most effective approach Mr. Utter has run across is simple yet dramatic. The agent is instructed to approach his prospect something like this: "Mr. Smith, this piece of paper I have in my hand represents all of your earnings for the last 20 years, regardless of what they amounted to. Living expenses, taxes and the like have consumed the greater portion of those earnings. What you have left today is

probably something like this." (The agent tears off a small corner of the paper and drops the remainder to the desk.)

"If you insure your earnings from this time forward, in another 10 years your savings will be more like this." (Agent picks up the larger portion of the paper and tears off a larger corner.) You can do this safely and conveniently through life insurance. If this little demonstration has brought up a problem of yours, all I ask is a chance to discuss it with you and to offer a solution."

Can Illustrate Estates

The same graphic method may be used to illustrate other phases of life insurance, such as a man's estate when he dies. In this case the full sheet represents the estate at the time of death. Sections are removed to represent funeral expenses, administrative expenses, current debts, inheritance taxes and the like until there is but little left.

The agent should not talk about his prospect's needs; he should talk about his wants instead. A man's needs are limited but his wants are much broader. Every man and woman living inwardly wants a life insurance maturity. It is the agent's job to persuade him to set the machinery in motion to bring this about.

Use Preapproach Letters

One of the most helpful things a general agent can do for his men is to send out letters to their prospects, telling them that the company has asked Mr. Blank to call and explain how he can be of service to them. Mr. Utter said that he has sent out more than 75,000 such letters, giving his agents the benefit of the company's prestige. In at least 85 percent of the cases the letter has aided in getting a favorable hearing.

Special study to means to overcome prospects' procrastination was urged by Mr. Utter. Men should be urged to think deeply on this subject. One effective method is to teach the agent to say: "Mr. Smith, if you and I knew that we could make an engagement right now to meet in your office 90 days from today and knew that we should be able to keep that engagement, there would be no reason why either of us should have life insurance. But unfortunately, our ability to meet three months hence depends on our both surviving those 90 days. We cannot say definitely that either of us will be here at that time as 60,000 men die every year whose life insurance policies have been in force one year or less! Don't you think it would be wise for you to sign that application today?"

Interviews Measure Day's Work

Agents should never be allowed to forget that the only adequate measurement of a day's work is the number of thoughtful interviews they succeed in obtaining in the course of the day.

For many years Mr. Utter helped the underdogs in his agency by giving them

the voluntary leads that came into the office but for some years now he has reversed this process and has given them to the leading producers. The leading producers have earned them, will do more with them and are entitled to whatever favors the office can give them. It should not be hard for any agent to accumulate an age change file of 1,000 names in two or three years of work. Every day such a file turns up good prospects. A third of all life insurance is written around the time of the age change, yet many agents neglect this sales opportunity. There is also a veritable gold mine in the "orphan" policyholder list in every office.

In discussing U. S. baby bond competition, Mr. Utter pointed out that the bonds are inflexible while life insurance offers many different plans for the accumulation of wealth. Most persons buying baby bonds designate a beneficiary, just as they do with life insurance. However, the beneficiary of a baby bond can't be changed as long as the beneficiary remains alive.

For the past 15 years Mr. Utter has held no agency meetings except an occasional social gathering. Through private conferences he has found that individual problems can be discussed more frankly and fully than in an open agency meeting.

Constant Self-analysis Is Recommended for Agent

Valuable information on the market for life insurance today was given by W. M. Rothaermel, agency vice-president Pacific Mutual Life, at a meeting of the Los Angeles Life Underwriters Association.

Every agent should analyze his own particular market to find out what the trends are. Generally, Mr. Rothaermel said, it has been found that about one-fourth of the life insurance buyers are women. More than one-half of the buyers today are over 30 years of age, although there has been some slight shift into the age groups below 30 due to the draft.

Many Single Men Buying

There is evidence that single men are buying more than one-fourth of the policies today and strangely, he said, about two-thirds of the applications are being secured from persons otherwise uninsured. It appears that the average company may expect to get about 20 percent of its new business volume from its policyholders and 33 1/3 percent from policyholders of other companies. This last figure is significant because many of an agent's policyholders are listed among that one-third insured in some other company.

On an average only one out of every 13 buyers is a man who already owns \$5,000 or more of life insurance. Therefore, Mr. Rothaermel emphasized, it may be assumed that comparatively few agents are soliciting in this upper bracket.

Figures on Women Buyers

The buying of life insurance by women appears to be equally divided as to volume and number of policies between housewives and business women. Average figures show that about 29 percent of all business is written in the month prior to the age change. Studies reveal 41 percent is written on first interview, 32 percent second interview, 17 percent third interview and 10 percent fourth and subsequent interviews. About 60 percent of the business comes from referred leads or from people whom the agent knew in some way before the first interview, Mr. Rothaermel said.

Success today is predicated on proper working habits, proper prospecting and

proper sales procedure. If the agent can translate these into questions and supply the answers he is well on the road to success. One of the first questions is whether the agent is seeing enough people. How many is "enough?" Mr. Rothaermel asked. Each agent must establish his own "par."

This means working backwards, first setting up budget requirements in dollars and cents for the year, then deducting estimated renewal earnings to find out the amount of first year commissions that will be necessary. From this sum can be determined the average policy and average commission required, and also the number of cases that must be written each year. The agent then, if he knows his sales ratio, can determine the minimum number of people he must see each month, week and day. The most successful agents have done this, Mr. Rothaermel declared, and no less successful agent can afford not to do it. In regard to prospecting, the right person for each agent is the one he can do business with at a profit. Callbacks are expensive. Some prospects are actually closed at a loss.

Preparation for Interview

Finally comes the question how thoroughly the agent prepares for an interview. He may be seeing enough people and seeing the right kind of people, but unless he is saying the right thing, the sale will be lost. Is the sales presentation organized carefully? he asked. Is it revised frequently? Does the agent have a really organized sales presentation or just a habit talk? The trouble with a habit talk, he said, is that it may be a bad habit.

Rehearsal, drill and revision are essential to keep a sales talk fresh and effective. Many successful producers memorize sales presentations and carry a card or an outline of the talk as a guide.

Finally, he said, and perhaps this should come first, is that from time to time the agent should ask himself whether he is in the right business. Unless he is thoroughly sold on it and enthusiastic, his work will lack punch and sincerity that is necessary to convince the prospect.

Propounds Some Questions

Questions to ask periodically are: Can I grow enthusiastic about the business? Do I believe that it is the grandest calling in the world? Do I feel an urgent desire to see people and present to them the only solution to their problems? Do I feel that when I interview a man he is not doing me a favor, but that I am doing him one? Do I feel that in reality I am not representing any company—I am representing that man's wife and children?

FACT FILE INFORMATION

Comparative Popularity of Policy Forms

Of all ordinary policies sold in 1939, 91 percent were written on three forms of adult coverage as follows: whole life, 63 percent; endowment, 19 percent; term 9 percent. Since 1935 the popularity of the whole life forms has decreased 4 percent, endowment increased 4 percent and term increased 20 percent. Source: Sales Research Bureau.

Lincoln Answers Inflation Talk

(CONTINUED FROM PAGE 1)

sion of both kinds of payments over a prolonged period tends to equalize or stabilize their purchasing power, the one with the other to a very considerable degree.

"Expenditures by the federal government in excess of income during the past few years have been disquieting to many thoughtful persons and no one will claim that this can go on indefinitely. Inflation itself, in anything like the commonly accepted sense of the term, is not the inevitable sequel that it is sometimes assumed to be. Inflation is only a possibility, not a certainty; and, according to many experts, it is even now not a very probable possibility."

Possesses Great Resources

This country luckily possesses productive capacity, national wealth, and other economic resources, sufficiently strong to make it far more resistant to inflation than were, for instance, some European countries. This country has available much stronger positive controls against inflation now than were ever before available to it. Even if so-called inflation of some kind or degree should ultimately materialize, there is no reason to assume that the holders of life insurance would suffer more than the holders of most other investments.

Even assuming an inflation of considerable extent, would a person cancel the fire insurance on his home if he became convinced that the cost of reconstructing it would be doubled, Mr. Lincoln asked. "Would he not, on the contrary, double his fire insurance? Similarly, if a man became convinced that the purchasing power of his beneficiaries arising out of his life insurance were sure to be halved by future events, should he not increase his life insurance instead of reducing or cancelling it?"

Not a Speculation

Probably every policyholder will agree that he does not buy insurance in order to speculate on the dollar. His primary purpose is to program his insurance requirements on the basis of his beneficiaries' needs or his own needs in old age. These things will proceed regardless of any possible difference between the average purchasing power over any period in which he has been paying his premiums and the average over the period in which his beneficiaries or he will be spending their benefits.

"Putting aside for the moment, however, the fundamental purpose of life insurance, that is, protection against the eventuality of death, it may also be said that there is no form of investment as such, possessing a like degree of safety, which can be purchased in so convenient a manner as life insurance through the periodic payment of insurance premiums. Despite minor changes in average purchasing power, millions of individuals have found it wise to retain, and even to increase, their life insurance and their annuities, with most satisfactory results to their dependents and themselves," Mr. Lincoln declared.

VIEWS SERVICE COVER

In discussing the government's insurance provision for men drafted for military or naval service, Mr. Lincoln said the question may be asked "Why could not the life insurance companies provide insurance at a cost comparable to that charged by the government for men in the armed service?" The answer is that in normal times premiums charged for life insurance do not contemplate, and make no provision for, the hazard involved in insuring a great group of men likely to engage in military or naval service in time of war. While life companies have been able to assume that risk among policyholders who have been insured for some years, and they have done so, the safety of the insurance of existing policyholders demands that the

companies protect them either by providing for the payment of an extra premium, or the limitation of the life insurance benefit, on new policies issued to those presently subject to military or naval service in time of war.

This risk is one which may properly be assumed by the government to a limited extent, limited because of the great financial risks involved. Beyond that, life insurance companies can perform a very necessary and vital service by enabling those who may need additional life insurance covering the hazard of war, over and above that provided by the government and above their existing insurance, to purchase such additional insurance on the condition that an extra premium be paid in the event of participation in war.

WAR CLAUSE

While the life companies have not as yet generally included a requirement in policies being currently issued that an extra premium be paid or the life insurance benefit limited in event of war service and while it is earnestly hoped that there may be no necessity for applying such clauses, preparedness may require that such clauses be included in new policies generally. If there is to be no war, there will be no limitation and no extra premium will have to be paid, but, if there should be war involving the United States, existing policyholders who are our first responsibility, should be protected against the excessive death losses to be expected under policies to be purchased by those contemplating war service.

TNEC STATEMENT

Mr. Lincoln reported that 178 companies have signed the statement of facts filed with the Temporary National Economic Committee which will be incorporated as part of the committee's record. Eliminating the Canadian members, all but 11 of the 58 United States members of the Life Presidents Association have signed the statement. All but 24 of the 147 United States members of the American Life Convention have signed, 31 companies being members of both organizations. In addition there are 39 signatures of companies not members of either of those organizations.

Mr. Lincoln reported that Senator J. C. O'Mahoney, chairman of the TNEC, who, after having carefully read the statement sent Mr. Lincoln a telegram: "Have read complete statement. Please express my appreciation to committee for manner of handling."

In commenting on the TNEC activities, Mr. Lincoln said the record presented to that committee by the counsel representing the Securities & Exchange Commission, bears witness to a zealous endeavor to present to the committee such pieces of evidence, usually isolated instances, as seemed to him after a search of the business to warrant special attention.

Not Adequate Presentation

"In the opinion of many of those having responsibility for conducting the business of life insurance, the zeal of counsel for the Securities & Exchange Commission has left the record somewhat short of an adequate presentation of the picture of life insurance as a whole. It was to supplement and correct this record that the statement filed with the TNEC was prepared and offered for inclusion therein. I may say, as one who had considerable contact with these proceedings, that the attitude of the TNEC and its chairman, Senator O'Mahoney and its vice-chairman, Representative H. W. Sumners of Texas, has seemed to me to be an attitude of fairness prompted only by a de-

sire to ascertain the place of life insurance in the general economic picture which was being studied by the committee."

Strong Stand on Raising Standards

(CONTINUED FROM PAGE 3)

S. Chapman of the Sales Research Bureau; W. M. Duff, president E. A. Woods agency, Equitable Society, Pittsburgh; Ray Hodges, Ohio National Life, Cincinnati; Gale Johnston, Metropolitan, St. Louis; Roy Ray Roberts, State Mutual, Los Angeles; H. T. Wright, Equitable Society, Chicago, N. A. L. U. president; and C. J. Zimmerman, Connecticut Mutual, Chicago, immediate past president.

Review Institute's Work at Annual Meeting

(CONTINUED FROM PAGE 3)

institute now represents more than 62 percent of the life insurance in force in this country.

Chairman M. A. Linton, president Provident Mutual Life, presided. Holgar J. Johnson, institute president, conducted the forum discussion and gave his annual report, in the form of reports by individual staff members, and R. Leighton Foster, representative of the Canadian Life Officers Association discussed "Twenty Years of Institutional Advertising in Canada." Various members of the institute's staff and its advertising counsel, J. Walter Thompson Company, reported on departmental activities.

Need Central Information Service

Chairman Linton stressed the need of a central source of public information about life insurance. He paid tribute to the work of Mr. Johnson.

Mr. Foster said Canadian life companies are spending an amount equivalent to an expenditure in the United States of almost \$1,500,000 a year, taking into account the relative volume of business in force in the two countries. Display advertising is used exclusively but Canadian officials are watching the development of the institute's column form with a great deal of interest with a possible view to adopting it.

Mr. Johnson summarized the functions of the institute's department of information which collects catalogs and correlates information, to take care of requests for factual and statistical data about life insurance. Special studies and reports to be used in Institute projects and articles for magazines, trade journals and newspapers are prepared. Up to as high as 100 letters received in response to the newspaper column every week are answered personally.

Publicity Work Described

H. E. Curtis described publicity work. A monthly news bulletin provides newspapers with authentic information about life insurance. Mr. Curtis urged companies to make effective use of their annual reports to policyholders as an educational medium.

A series of cartoons, "Our Democracy," is now being taken by 1,738 newspapers, Maximilian Elser, Jr., reported. Of these, 94 are dailies and 1,644 weeklies, he said.

In reporting on the institute's motion picture activity, F. H. Fidler said: "In the 15 months since its release 'Yours Truly, Ed Graham,' has been shown to more than 1,164,000 people outside the business and 72,000 agents. The public circulation was of three types: selective club audiences, 273,000 people; mass circulation through theaters, 711,716 people; high school and college students, 178,000.

"The 'American Portrait' will have attained a circulation of about 230,000 people by the end of December. Both pictures have enjoyed an almost unanimous public approval with comment 97

percent and 96.5 favorable, respectively." H. C. Flower, Jr., vice-president, J. Walter Thompson Company, summarized the institute's two main objectives as "to get ourselves better liked and to develop better agents."

Reasons for using the column idea for institutional advertising was then given by W. D. Kennedy, J. Walter Thompson Company, account executive.

Wright Implores Presidents to Act

(CONTINUED FROM PAGE 12)

conducting their business in a more professional way. Generally speaking, they never see their prospects without a definite appointment. In the first interview basic and detailed information is secured so that the prospect's needs may be properly determined and at a later date recommendations are made and the sales interview often takes place in the agent's office.

Mr. Wright said he appreciates the problem which the companies face in securing a fair interest return on investments. That is a problem that deserves the expert attention of chief executives, but he implored the presidents not to become preoccupied with that problem to the extent of overlooking the necessity of maintaining an enthusiastic, fighting force in the field. Mr. Wright observed that the life underwriters association is on record against federal control or regulation. There is no demand for such regulation on the part of the public.

Seek Rehabilitation of Central States Life

(CONTINUED FROM PAGE 12)

man and a director of Central States Life filed a petition to intervene in opposition to the receivership. Jones insisted that the capital is not wiped out or reserves impaired.

Demands Rehearing

In a second petition, Jones demands a rehearing on the receivership suit and a judgment ordering rehabilitation, with return of Central States Life to its former management. Jones said he is the owner of 1,500 shares of stock and of two \$10,000 policies.

Frank X. Jones became a director of Central States Life when Central States took over American National Assurance of St. Louis. Mr. Jones was an officer of that company, control of which was held by his father, Attorney James C. Jones, Sr., of St. Louis.

The new examination reduces real estate values from \$6,261,432 to \$2,462,405; mortgages from \$5,144,038 to \$4,328,699; stocks (actually a real estate item) \$1,634,370 to \$270,843; bonds, \$1,518,028 to \$1,429,074.

Net reserves excluding disability are set at \$14,651,505.

The St. Louis "Post-Dispatch" carried a story about the interest of Arnold G. Stifel, president of Stifel, Nicholas & Co., investments, in Central States Life. Stifel acquired 24,585 shares of Central States or about 30 percent of the total, through an option agreement to purchase the shares from Kansas City Life. Stifel made annual payments of \$2,500 to Kansas City Life and upon making such payments was given personal possession of 250 shares of Central States.

ARKANSAS TAKES ACTION

LITTLE ROCK, ARK.—Commissioner Harrison has been named Arkansas ancillary receiver by the circuit court for the Central States Life which reinsured the former Home Life of Little Rock. As a consequence, the Central States Life has a large volume of business in Arkansas and much of it is still on the company's books. J. F. Holt was named counsel to the ancillary receiver.

JEFFERSON STANDARD

The Quality-Minded Company

- ➔ Quality Selection
- ➔ Quality Training
- ➔ Quality Merchandising
- ➔ Quality Business
- ➔ AGGRESSIVE and PROGRESSIVE

JEFFERSON STANDARD LIFE INSURANCE CO.

JULIAN PRICE, President

GREENSBORO, N. C.



TO THE KEEPER OF THE BUDGET

To the keeper of the budget, "joy" is an income of a dollar and an outgo of ninety cents, while "gloom" is an income of a dollar and an outgo of a dollar and ten cents. The saving of a surplus, however small, is the first step toward economic success. Saving through life insurance in a company such as the Massachusetts Mutual is simply buying a greater future good by a smaller present sacrifice.

Massachusetts Mutual
LIFE INSURANCE COMPANY

Springfield, Massachusetts

Bertrand J. Perry, President



'Tis an old, old story, yet the flight of years with all their joys, their tragedies, cannot mar its magic. As the shadows of 1940 lengthen into memories, build your dreams again in the mystic white light of the Star of Bethlehem, as it hovers there in the East, serene, beautiful, pledging anew Peace and Goodwill to all men.

To you and yours this Christmastide we wish all things good.

PEOPLES LIFE INSURANCE CO.

FRANKFORT

"The Friendly Company"

INDIANA



COUNTRY LIFE
INSURANCE COMPANY

*"Outstanding
in Every Respect"*

HOME OFFICE • CHICAGO, ILLINOIS



Vice-president W. W. Jaeger of Bankers Life of Iowa here sets off the 10 gallon hat that was presented to him recently by the Fort Worth and Dallas agencies at a joint luncheon in Fort Worth. At the same time he was presented with a record of \$452,000 production by the two agencies during the Nollen-Jaeger campaign.

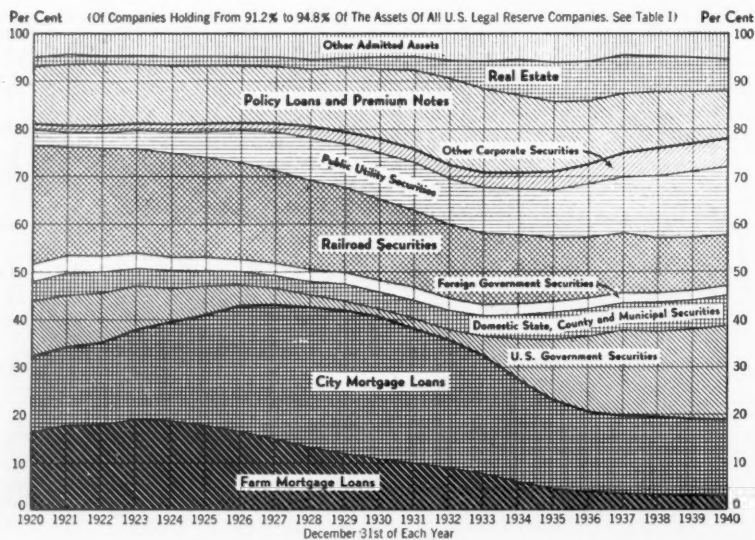


The Houston Association of Life Underwriters staged a successful "Life Insurance Week" program. Houston association officers who directed the activities are shown here with the state and managers group presidents. Seated, left to right: Jack Grantham, Southwestern Life, president; Jul B. Baumann, Pacific Mutual Life, president Texas association; Fred J. Stancliff, Volunteer State Life, secretary. Standing, W. H. Fabian, Connecticut General, first vice-president; Francis G. Bray, New England Mutual, president Houston General Agents & Managers Association; Morris Brownlee, State Mutual, retiring president, and N. C. Willis, Connecticut Mutual, second vice-president.

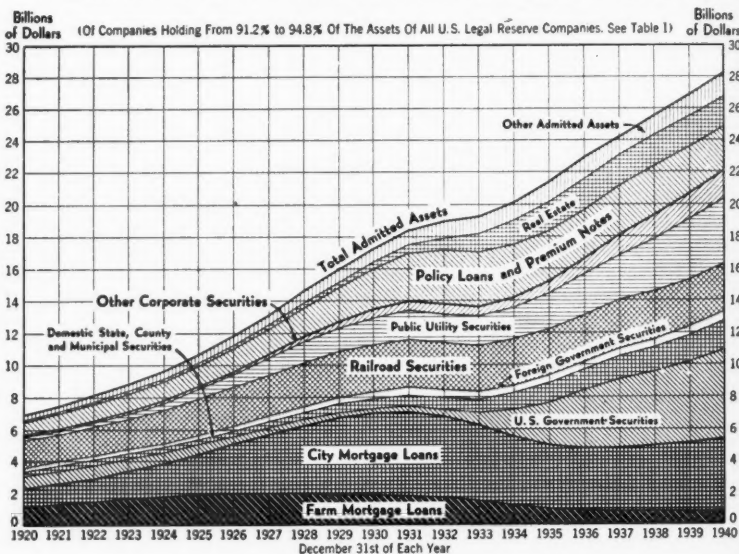


F. L. Morton (left), tax expert of the Myrick agency of the Mutual Life in New York City, continued to answer queries on taxation and business insurance even after the regular question and answer period that followed his talk before the New York City C. L. U. chapter. Others shown are, left to right, E. J. Allen, assistant general agent, John Hancock Mutual, New York City, chapter vice-president; J. Fred Speer, Equitable Society, chapter president; and Ben Alk, Penn Mutual, New York City, national C. L. U. president.

Relative Growth of Life Insurance Assets—1920-1940



Absolute Growth of Life Insurance Assets—1920-1940



Four outstanding first year men of the Penn Mutual Life attended the quarterly meeting of the President's Club for New Organization at the home office. They are shown here with President John A. Stevenson and Wallis Boileau, second vice-president. Front, left to right, August Epp, Wichita; Mr. Stevenson; E. S. Anderson, New York. Standing, P. R. Skinner, Fort Wayne; Mr. Boileau; J. P. Black, Memphis.

